REVISED
July 1982

A WORKING PAPER

600-13

LOTTERIES AND THE ARTS

The Canadian Experience
1970 to 1980

Research & Evaluation
Canada Council
Aug. 24, 1981

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LOTTERIES AND THE ARTS

The Canadian Experience

1970 to 1980

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The Canadian Experience

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LOTTERIES AND THE ARTS

Introduction

1.01 In March 1980 Research & Evaluation was requested to prepare a research report concerning lotteries - their growth and stability as well as their use and abuse in support to the arts. Preliminary research revealed few academic studies and no published assessment of the Canadian experience. No consolidated and few compatible financial and other descriptive statistics existed. It also became apparent that privately operated lotteries were an untouched facet of the overall question of lotteries and the arts.

1.02 An internal research program was designed to establish basic trends in lottery support to the arts during the 1970's. A concise record of public developments is provided in Appendix A. Continuing changes in reporting and business practices of government lottery corporations, as well as the licencing practices of the provinces and territories required that financial information be adjusted to the standard format reported in Appendices B and C, respectively. Information presented in this report may not, therefore, agree with published financial statements and other reports.

1.03 The research program required the co-operation of many individuals and organizations. Thanks are extended to Tony Kerr, Chief, Provincial Section, Statistics Canada, who made available financial statements for the various government lottery corporations. Compatible financial tables and notes (Appendix B) for each government operated lottery were initially developed by Gerald Hinds, Chartered Accountant. Special thanks are extended to the spokespersons for both government and privately operated lotteries and for provincial and territorial licencing authorities. All errors in interpretation remain the responsibility of the authors. In this regard, the report will, with the approval of the Canada Council, be distributed to relevant authorities for review and comment (Appendix D). Responses will be assessed and incorporated in a future addendum.

1.04 The report embraces many fields including accounting, economics, law, private and public finance and administration. It is not an authoritative or definitive analysis. The research program did not permit complete investigation of government and privately operated lotteries. Nor did it permit complete investigation of arts funding. Rather, it focused upon the linkage between lotteries and the arts. Accordingly many more specific questions may be raised in the minds of some readers than are answered. For answers the reader should consult: (i) spokespersons for government and privately operated lotteries as well as provincial and territorial licencing authorities listed in Appendix D; (ii) reference works and authors listed in Appendix E; and/or (iii) the authors of this report.

1.05 Including this Introduction the report consists of seven parts. The second provides a brief world overview and history of lotteries with emphasis on the British and American experience. The third part provides a review of the Canadian experience with emphasis on the debate leading to legalization in 1970. The fourth part provides a review of lotteries ten years after in 1980 with emphasis on the growth and magnitude of lotteries. The fifth provides a review of government operated lotteries and their support to the arts. The sixth provides a review of privately operated lotteries and their support to the arts. The seventh part provides conclusions of the authors concerning the stability and accountability of lotteries as well as their use and abuse in support to the arts.

Introduction

1.07 There are, however, two additional caveats to this report. The first concerns the definition of lotteries. In the Oxford Concise Dictionary, a 'lottery' is an "arrangement for distributing prizes by chance among purchasers of tickets" (1). In Webster's, a 'lottery' is "an event or affair whose outcome is or seems to be determined by chance and/or by drawing lots in which prizes are distributed to winners among persons buying a chance" (1). In the federal Criminal Code, however, 'lottery' is a generic term embracing all games of chance including card games, raffles, casinos, bingos, wheels of fortune as well as ticket lotteries. Government in the 1970's chose to operate only ticket lotteries. However, the non-profit sector, when licenced by the provinces and territories or, in some cases, by their municipalities, chose to operate all types of 'lotteries'. Accordingly, the definition of a lottery is subject to the varying and discretionary definition of twelve provinces and territories.

1.08 The second caveat concerns the definition of the arts. This report has not been prepared by artists. The authors' crafts are social scientific - economics and history. The report concerns only the economic and organizational dimensions of the arts defined to include professional and amateur activity in Canadian literature, media, performing and visual arts including the 'fine' crafts. Libraries are generally excluded unless specific Canadian content is present. Archives, museums and heritage activities are generally excluded except when conservation skills and techniques of the 'fine' visual arts are present. Multicultural activities are generally excluded. Documentation assembled during the research program, however, permits estimation of lottery support to these other activities.

1.09 Despite inherent limitations it is hoped that this report will satisfy the information needs of the Canada Council concerning lotteries and their role in support to the arts. In addition, it is hoped the report will provide other researchers with a more extensive basis for the study of a subject of growing interest and importance to all Canadians in the 1980's and beyond.

Harry Chartrand
Research Director

John Ruston
Research Officer

LOTTERIES AND THE ARTS

A Brief World Overview

2.01 Lotteries have a long and checkered history. In ancient Occident, lotteries were a favourite amusement of the Roman patrician class. In the Far East, lotteries have existed from time immemorial and continue to flourish today. Most authorities, however, date lotteries from the 'Commercial Revolution' of the Middle Ages when Italian merchants used them to dispose of merchandise. The first public cash lottery, however, is reported in Bruges (Flanders) in 1466. In 1520 Francis I established lottery offices in Paris and four other French towns. As European rulers recognized their revenue potential lotteries quickly spread throughout Europe during the 16th century and to the European colonies in the 17th and 18th centuries (2).

2.02 By the mid-19th century, however, lotteries began to fall from grace. Maladministration, overuse, illegal practices and moral outrage stamped them as a disreputable revenue source. Where lotteries fell into disrepute they were either prohibited or brought under strict state monopoly or licencing regulation. State lotteries were abolished in Britain in 1826; France in 1836; Sweden in 1840; Bavaria in 1861; and Switzerland in 1865 (3). However, some level of lottery activity continued, either tolerated by the authorities or illegally within the 'underworld' economy.

2.03 In the United Kingdom state lotteries operated between 1569 and 1826 when they were declared unconstitutional. In 1698 an Act of the British Parliament prohibited all lotteries not authorized by Parliament for state and public purposes. In 1753 Parliament authorized a lottery in order to finance the first collections of the British Museum. The lottery raised L300,000. In 1846 Parliament, through the Arts Unions Act, exempted voluntary arts associations from the general prohibition and permitted them to operate lotteries for "distributing by chance works of art". With the notable exception of the arts all lotteries were technically illegal until 1934. Despite the law, however, private, quasi-private and small public lotteries flourished and were tolerated by the authorities unless a complaint was laid or fraud suspected (4).

2.04 In 1612 James I authorized the first lottery in what would become the United States of America. Many other British colonies quickly followed this first Virginia lottery. By the end of the 18th century lotteries were commonly used in support to education including such prestigious institutions as Harvard and Columbia Universities. In addition, they were used to finance public works such as streets, buildings, water supplies and fire equipment (5).

2.05 During the 1830's, however, 10 American states prohibited lotteries as irregularities became public and as other revenue sources were developed. In 1842 the Congress banned federal lotteries. By 1875, 26 states had abolished lotteries. By 1878 the only state operating a lottery was Louisiana. As a result of scandal surrounding the privately operated Louisiana Lottery the Congress banned lottery materials from the mails in 1890, and shortly thereafter prohibited their interstate transportation. By 1900, 36 of 45 states had formally prohibited lotteries, some even amending state constitutions. In effect lotteries were wiped out in the United States until 1964 (6).

2.06 Widespread abandonment proved temporary, however. Several countries in fact continued lotteries as a regular and reliable revenue source. In Spain which has the largest lottery in the world, Italy and Denmark, lotteries operated continuously from their introduction between 1550 and 1700. Before the Second

A Brief World Overview

World War several countries reintroduced lotteries including Sweden in 1897, Ireland and France in 1933 and Britain in 1934 (7).

2.07 Since the Second World War there has been a significant revival of national and state lotteries throughout the world, including the internationally successful Irish Sweepstakes. In 1956 Britain legalized lotteries for charitable, sporting and other purposes. Licencing was conducted by local government authorities. In 1976 the right to hold lotteries was extended to local governments as well as other charitable groups (8). In 1964 New Hampshire became the first state to re-introduce lotteries in the United States. The U.S. government withdrew its ban on the interstate transportation of lottery materials in 1979. By mid-1980, 14 states operated a variety of lottery games.

2.08 Lotteries also operate in Mexico, the Netherlands, Austria, West Germany, Brazil, Japan, the Soviet Union and most East Bloc countries (9). In Australia most states derive a substantial share of their revenues from lotteries. In fact, Australia has been called the 'home of the lottery' (10). The prevalence of lotteries is illustrated by membership in the International Association of State Lotteries. Founded in Zurich in 1956, the association currently has 84 members from 61 countries including the four Canadian government operated lottery corporations (11). Around the world government operated lotteries are researching and developing increasingly sophisticated computer retailing and marketing technologies to extend and expand markets and profits.

LOTTERIES AND THE ARTS

The Great Debate

3.01 While information is scarce, it would appear that private and public lotteries operated in New France by the late 17th century. In 1783-84, the British authorities ran a lottery to construct a new prison for the city of Montreal. A decade latter Curate Labelle held a lottery for the expansion of a French settlement in the colony. In later years there arose in Lower Canada "a whole new spate of lotteries - all claiming to support one or another such worthy cause as the promulgation of Fine Arts and Letters, Maple Syrup, Fatherhood ... " (12).

3.02 During the 18th and 19th centuries there is no evidence that lotteries were used in Upper Canada except for an abortive attempt to finance the Ontario, Simcoe and Huron Union Railway in 1849 (13). During the 1850's lotteries and similar games of chance were banned in British North America by reference to the Gaming Act of Great Britain. After Confederation various statutes, including one in 1892, re-affirmed the illegal status of lotteries. As a result government operated lotteries were not used again until the ill-fated Montreal municipal lottery of 1968. Pressure for legalization was, however, present throughout the 20th century.

3.03 Quebec traditionally led the provincial fight for lotteries. Since the mid-1930's the province had legislation to permit lotteries but was unable to enact it because of prohibitions in the federal Criminal Code. In 1934 the House of Commons considered a response to Quebec's legislation. The sentiments of the Commons were reflected by Prime Minister Bennett when he said

> When I am asked to exercise my vote as a member of the House of Commons of Canada to say that we shall legalize that which has brought the misery to the human race that games of chance and lotteries have brought, I propose to exercise my vote against any such thing...If I were to sit upon the jury, I would have to find the evidence against lotteries far outweighs any support that can be found either in the past or present. (14)

3.04 In 1954, a joint committee of the House and Senate studied the question again, but recommended against legalization. The Committee concluded government lotteries would raise little revenue. During the 1960's pro-lottery sentiment gathered strength. In 1963, the Canadian Federation of Mayors and Municipalities passed a motion in support of a Quebec proposal that the federal government hand over control of lotteries for charitable purposes to the provinces (15). Parliament debated the question throughout the 1960's, but the Criminal Code was not amended until 1970. Reticence was undoubtably influenced by past controversy and experience in other countries.

3.05 Reservations were typified by the 1967 Report of the Ontario Royal Commission on Taxation. The report concluded that "aside from any moral or sociological considerations, the dominant factor in our view is that this type of revenue source lacks any of the grounds of equity which we think should form the basis of a good tax system". The principle of benefit taxation was judged inapplicable because there was no way of relating expenditure on lottery tickets to specific benefits to ticket buyers. "Similarly", the Committee went on to say, "the concept of ability to pay fails to justify a lottery since there is no reason to presume that the purchasing of lottery tickets increases at all with income let alone proportionally" (16).

LOTTERIES AND THE ARTS

The Great Debate

3.06 The Committee recognized a large potential return from government operated lotteries. Using the New Hampshire lottery as a model, it estimated Ontario would gross $40 million annually, made up of $20 million in sales to residents, and a matching amount from non-residents. It estimated that the net yield to the government would be approximately $20 million. The Committee suggested that structural or administrative changes, e.g. lowering the price of tickets; increasing the frequency of draws; or changing the size or proportion of prizes would enhance net returns despite an increase in administrative costs.

3.07 The Committee identified, however, a number of factors which would offset or tend to reduce revenues. First, if legalized in Ontario other provinces would quickly follow. Interprovincial competition would then reduce non-resident sales and lower Ontario's yield. Second, government operated lotteries would alter existing patterns of savings and consumption. Lotteries would become a substitute for other consumption resulting in decreased consumption tax revenue. Specifically, "lottery proceeds would be purchased in part at the expense of the retail sales tax, the race tracks tax and liquor profits". Third, administrative costs would consume an increasing proportion of proceeds. Fourth, growing demand for revenue and interprovincial competition would necessitate active competition which would also reduce profits. Finally, as lotteries grew more frequent additional ticket outlets and increasing audit and enforcement costs would be required (17).

3.08 Similar objections were raised by the opposition in December 1967 when the House of Commons began debate of proposed amendments to the Criminal Code. Anti-lottery arguments were blunted, however, by the government's avowed intention to 'modernize' the Code. The amendments proposed that certain types of lotteries should be permitted to resolve a contradiction arising from an exclusionary clause in the existing Code. The Code, which in general prohibited lotteries, permitted charities to operate lotteries under the "Gaming and Betting" Section which read in part:

> **A place is not a common gaming house ...** while occasionally it is used by charitable or religious organizations for the purpose of playing games for which a direct fee is charged to persons ... if the proceeds from the games are to be used for a charitable or religious object. (18)

3.09 Over the years the occasional raffle and bingo had grown in size and number into a criss-cross of lotteries: so did abuses. Out of this confusion there arose a need for guidelines and regulatory mechanisms. This need, as much as pressure from Quebec, finally led to amendment effective January 1, 1970. Under amended Section 189 it remained an offence to print, buy, sell, advertise or distribute raffle tickets or to engage in any games of chance. Notwithstanding this Section, however, Section 190 - an Exemption Section - allowed five types of lotteries. Specifically it became lawful

i) for the Government of Canada to conduct a lottery scheme;

ii) for the Government of a Province to conduct a lottery scheme in accordance with any law enacted by the legislature of the Province;

iii) for a charitable or religious organization to conduct a lottery scheme if licenced by the Lieutenant Governor in Council or by such other person or authority specified by the Lieutenant Governor in Council if the proceeds are used for charitable or religious objects;

iv) for an agricultural fair or exhibition or the operator of a concession to conduct a lottery scheme if licenced by the Lieutenant Governor in Council or person or authority specified by the Lieutenant Governor in Council; and

v) for any person to conduct a lottery at a public place of amusement if licenced by the Lieutenant Governor in Council or person or authority specified by the Lieutenant Governor in Council. In this case, the prize cannot exceed $100.00 and the ticket price cannot exceed $0.50 (19).

3.10 The term lottery or 'lottery scheme', as used in the Criminal Code, covers a wide range of games of chance other than ticket lotteries proper. In general a game is considered a lottery if it contains three elements: (i) a prize; (ii) a chance for a prize; and (iii) a consideration, i.e. a bet (20). Accordingly a variety of games of chance - games in which there is no element of skill - are considered lotteries, including raffles, casinos, card games, pull tickets, bingos and wheels of fortune. Indeed under the Criminal Code the provinces have the option of licencing any lottery scheme, with the exception of games specifically prohibited - namely dice games, three-card monte, punch boards and coin tables. In this report the term 'lotteries' is used interchangeably with 'games of chance'.

3.11 In the spring of 1976 the Criminal Code was again amended, this time making it legal for provincial governments to conduct lotteries in conjunction with one another. It also made it legal for manufacturers of lottery tickets to ship or sell tickets for the purposes of a lottery scheme in another province (21). As this most recent amendment demonstrates, the criminal justice system falls under the legislative prerogative of the federal government. It is, however, administered by the provinces and territories.

LOTTERIES AND THE ARTS

The Decision: Ten Years After

> For avid lottery watchers, it is hard to believe that it's only a decade or less since government-sponsored lotteries were attracting criticism and giving rise to questions then regarded as highly controversial: Are lotteries an unfair form of taxation? Are they a burden for the poor? Does this form of revenue-raising discourage responsible citizenship? Compared to conventional taxation are lotteries a wasteful way of raising revenue? Is it immoral for governments to encourage dreams of sudden wealth and nurture belief in "something for nothing"?
>
> Steve Scott, "The Multi-Billion Dollar Lottery Bubble", in Millions, Vol.1, No.8, Aug. 1980, p.48.

4.01 Controversy concerning the equity and morality of lotteries persists, but in a period of stagflation and taxpayer revolt it takes a back seat to the revenue generating capacity of lotteries. In this section the growth and pervasiveness of government and privately operated lotteries during the 1970's is assessed.

(a) Lotteries & the National Accounts

4.02 In 1970-71 Canadian lotteries had ticket sales of $116 million in constant 1971 dollars (Table 1, p. 11) or 0.1% of Gross National Expenditure (GNE). This somewhat understates actual sales because no financial information was available or applicable for some lotteries at the beginning of the decade (Appendix B and C).

4.03 In 1979-80 Canadian lotteries had ticket sales of $637 million in constant 1971 dollars ($1.5 billion in 1979-80 dollars) or 0.5% of GNE. Official Canadian aid to developing countries, by contrast, was $542.9 million or 0.4% of GNE in 1979-80 (22). Research and development expenditures by goverments, corporations and universities were $1.2 billion or 0.9% of GNE (23).

(b) Lotteries & the Average Canadian

4.04 In 1970-71 lottery ticket sales were 2.5% of personal expenditure on entertainment, recreation, education and culture (PEEREC) (Table 1, p. 11). The education component of PEEREC includes fees for such things as private music and acting lessons as well as costs associated with denominational schools in Newfoundland. In 1979-80 ticket sales were 7.1% of PEEREC, an increase of 284% in the lottery component of the Canadian entertainment budget.

4.05 Between 1970-71 to 1979-80 Canadians purchased over $4.0 billion in lottery tickets in constant 1971 dollars (accumulated from Table 1, p. 11). If purchased in 1979, accumulated lottery ticket purchases would be $9.2 billion in 1979 dollars.

4.06 In 1970-71 ticket sales were $5.45 for every man, woman and child in Canada measured in constant 1971 dollars (Table 2, p. 11). Fifty-three per cent or $2.89 was spent on privately operated lotteries and $2.57 or 47% on government operated lotteries. In 1979-80 sales were $26.92 per capita (almost $62 per capita in 1979 dollars). Thirty-three per cent or $8.92 was spent on privately and $18.00 or 67% on government operated lotteries.

(b) Lotteries & the Average Canadian (cont'd)

4.07 Opinion differs as to the 'regressivity' of lotteries, i.e. do lower income Canadians buy a disproportionate share of lottery tickets, but receive a less than disproportionate share of the benefits? Differences begin with: are lotteries taxation or consumption? If consumption, then 'consumer sovereignty' restricts economic comparison of what rich and poor do with their income. There can be no question of 'regressivity', a tax concept founded in the coercive power of the state.

4.08 If lotteries are taxation then another question arises: what is the evidence concerning 'regressivity'? With respect to cost, evidence suggests higher income Canadians are more likely to buy lottery tickets, but lower income Canadians who do buy, buy significantly more (24). With respect to benefits, no evidence exists whether lower income Canadians benefit disproportionately from sports, arts and culture, medical and other expenditures financed by government and privately operated lotteries. There is no evidence concerning differential benefits accruing to different income classes from prizes which average about 50% of ticket sales.

4.09 Furthermore there is no evidence concerning negative and positive benefits of anticipated or actual social mobility resulting from the expenditure of 'hope money'. According to one observer, the new conserver society ethic of "living within our means" may mean reduced vertical mobility and equality of opportunity. Lotteries would represent a shift in equal opportunity from work to leisure sectors of society demonstrating "the capacity of capitalism to continuously generate new mechanisms of adaptation" (25).

4.10 A Weekend Magazine poll, conducted in the 32 largest Canadian urban communities, reported lotteries received complete approval of 84% of Canadians in 1979. Approval reflected a popular belief that lottery funding was used for 'good causes'. Those who disapproved viewed lotteries as a waste of money and as exploitation of the poor (26). From a religious perspective, among Christians, Roman Catholics tend to tolerate while fundamentalist Christians oppose lotteries and gambling. Other Protestants tend somewhere between toleration and opposition. Among non-Christians, Jews tend to tolerate while Buddists, Muslims and Sikhs tend to oppose lotteries and gambling (27).

4.11 In 1978 marketing expenses for eight government lotteries were more than $20 million current dollars. Collectively they were the largest commercial advertiser surpassing Procter and Gamble and General Foods, number two and three among the top 50 national advertisers (28). In 1979-80 advertising and communication expenses for the five government lottery corporations were $37-40 million, excluding sales and distribution expenses (29). No estimate is available as to how much of advertising revenue is spent in wages, salaries and commissions to performing, visual and literary artists. Recent surveys indicate, however, that advertising is a very significant supplementary income source for Canadian artists (30).

(c) Lotteries & Government Revenue

4.12 Tri-level (federal, provincial and local) revenue increased 30% from $34.2 billion in 1970-71 to $44.6 billion in 1979-80, measured in constant 1971 dollars (Table 3, p. 12). Morality taxes, including alcohol, tobacco, amusement taxes

(c) Lotteries & Government Revenue (cont'd)

and race track taxes, but excluding lotteries, decreased almost 22% from $1.203 billion in 1970-71 to $939 million in 1979-80. As a percentage of tri-level revenue morality taxes decreased from 3.5% to 2.1%.

4.13 Ticket sales increased from $54 million in 1970-71 to $426 million constant 1971 dollars in 1979-80. Gross operating revenue from government operated lotteries increased almost 477% from $30 million in 1970-71 to $173 million in 1979-80 in constant 1971 dollars (Table 3, p. 12 and Table 4, pp. 13-14). In 1979-80 the rate of return, after deducting prizes and expenses, was 30% of ticket sales. As a percentage of tri-level revenue lotteries increased from 0.1% in 1970-71 to 0.4% in 1979-80. Lottery revenue increased from 2.5% of morality taxes to 18.4%.

4.14 Lotteries make their greatest contribution to public finance at the provincial-local level (Table 3, p. 12). In 1970-71 morality taxes were $261 million in constant 1971 dollars, or 1.3% of consolidated provincial-local revenue. In 1979-80 morality taxes increased to $369 million but remained 1.3% of consolidated revenue. Gross operating revenue from provincial lotteries increased from $30 million in 1970-71 to $149 million in 1979-80, or from 0.1% of provincial-local revenue to 0.5%. As a per cent of provincial-local morality taxes, lottery revenues increased from 11.5% to 40.4%.

(d) Lotteries & The Corporate Sector

4.15 Licences for privately operated lotteries increased from 7,096 in 1970-71 to 39,281 in 1979-80 (Table 5, p. 15 and Appendix C). Estimated gross receipts for privately operated lotteries increased from $61.5 million in 1970-71 to $211.2 million in 1979-80, measured in constant 1971 dollars ($482.9 million in 1979-80 current dollars). Estimated net receipts increased 190% from $18 million to $56 million in 1979-80 ($143 million current 1979 dollars). The rate of return after deducting prizes and expenses was 27% of gross receipts.

4.16 By way of comparison, consider corporate donations and direct and indirect (revenue foregone through tax exemption of individual charitable donations) federal expenditure in support to the non-profit sector. In calendar year 1979, the Institute of Donations and Public Affairs Research reported 391 corporations donated $25.4 million ($58.1 million in current 1979 dollars) to all charitable causes (31). In 1978-79, the Voluntary Action Program of the Secretary of State estimates that direct and indirect federal expenditure in support to the non-profit sector was $546.5 million current dollars (32). Thus by the end of the decade, privately operated lotteries were almost two-and-a-half times as important a funding source for non-profit organizations as corporate donations, and more than 1/4 of direct and indirect federal support to the non-profit sector.

4.17 Some privately operated lotteries rival their government counterparts. Cash For Life, created by the Ontario Association for the Mentally Retarded in September 1977, had ticket sales of $20.1 million and profits of $4.8 million in 1979 (current dollars). Since October 1980, Cash For Life has three new members: the Kidney Foundation of Canada, the Ontario Society for Crippled Children and the Multiple Sclerosis Society of Canada. The lottery now offers a first prize equivalent to one million dollars, and as such is the largest privately operated lottery in North America (33).

Table 1

LOTTERIES AND THE NATIONAL ACCOUNTS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
- Millions of Constant 1971 Dollars -										
Gross National Expenditure	88,390	94,650	100,268	107,812	111,678	113,005	119,249	121,823	125,995	129,639
PEREEC (1)	4,609	5,364	6,039	6,642	7,329	7,535	8,111	8,272	8,642	8,938
Total Lottery Receipts (2)	116	180	206	240	371	448	574	607	644	637
- Percentage of GNE -										
Gross National Expenditure	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PEREEC	5.2	5.7	6.0	6.2	6.6	6.7	6.8	6.8	6.9	6.9
Total Lottery Receipts (2)	0.1	0.2	0.2	0.2	0.3	0.4	0.5	0.5	0.5	0.5
- Percentage of PEREEC -										
PEREEC	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total Lottery Receipts (2)	2.5	3.4	3.4	3.6	5.1	5.9	7.1	7.3	7.5	7.1

Source: National expenditure figures from National Income and Expenditure Accounts, 1965-1979, Statistics Canada, Cat. 13-201.

Notes
(1) PEREEC = Personal Expenditure on Recreation, Education and Cultural Services
(2) Refers to combined Gross Ticket Sales of Government Operated Lotteries and Gross Receipts from private games of chance.

Table 2

GOVERNMENT AND PRIVATE OPERATED LOTTERIES

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
- Thousands of Constant 1971 Dollars -										
Total Lottery Receipts (1)	116,078	180,476	205,993	239,556	371,452	447,906	574,253	606,325	643,311	637,338
Private Ticket Sales	61,475	109,275	115,305	131,730	142,038	136,215	166,382	201,768	209,219	211,223
Government Ticket Sales	54,603	71,203	90,638	107,826	229,394	291,691	407,631	404,757	434,292	426,115
Tickets Sales Per Capita	5.45	8.27	9.45	10.87	16.61	19.73	24.97	26.08	27.41	26.92
Population (000's)	21,297	21,568	21,802	22,043	22,364	22,697	22,993	23,258	23,475	23,671

Source: Population figures from National Income and Expenditure Accounts, 1965-1979, Statistics Canada, Cat. 13-201.

Note
(1) Refers to combined Gross Ticket Sales of Government Operated Lotteries and Gross Receipts from private games of chance.

SEE APPENDICES B & C

Table 1

LOTTERIES AND GOVERNMENT REVENUE

ITEM	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79 (1)	1979-80 (2)
- Millions of Constant 1971 Dollars -										
Tri-Level Consolidated Revenue	34,119	33,920	37,863	40,991	44,436	42,694	42,869	42,844	43,100	44,361
Morality Taxes	1,203	1,215	1,099	1,200	1,072	1,009	1,018	907	979	939
Alcohol & Tobacco	1,147	1,137	1,136	1,142	1,035	947	960	912	919	887
Amusement Taxes (3)	59	59	63	58	40	59	58	57	54	56
Lottery Revenue (4)	36	36	43	50	129	170	188	179	182	179
- Percentage of Consolidated Revenue -										
Consolidated Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Morality Taxes	3.5	3.6	3.2	2.9	2.5	2.4	2.4	2.1	2.3	2.1
Alcohol & Tobacco	3.4	3.3	3.0	2.8	2.3	2.2	2.2	2.1	2.1	2.0
Amusement Taxes	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Lottery Revenue	0.1	0.1	0.1	0.1	0.3	0.4	0.4	0.4	0.4	0.4
- Percentage of Morality Taxes -										
Lottery Revenue	2.9	3.0	3.6	4.2	11.8	14.9	18.3	18.9	18.7	18.8
- Millions of Constant 1971 Dollars -										
Provincial-Local Consolidated Revenue	20,391	21,308	23,419	24,116	23,731	23,639	26,263	27,388	28,237	28,266
Morality Taxes	261	263	288	285	258	258	297	312	361	369
Alcohol & Tobacco	206	212	230	222	198	180	216	255	307	313
Amusement Taxes	59	59	59	58	60	78	58	57	54	56
Lottery Revenue (5)	30	36	43	50	58	81	129	128	129	139
- Percentage of Consolidated Revenue -										
Consolidated Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Morality Taxes	1.3	1.2	1.2	1.2	1.0	0.9	1.1	1.1	1.3	1.3
Alcohol & Tobacco	1.0	1.0	1.0	0.9	0.8	0.7	0.8	0.9	1.1	1.1
Amusements Taxes	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Lottery Revenue	0.1	0.2	0.2	0.2	0.2	0.3	0.5	0.5	0.5	0.5
- Percentage of Morality Taxes -										
Lottery Revenue	11.5	13.6	15.1	17.9	22.5	34.0	43.0	41.0	35.7	40.4

- Figures may not add due to rounding -

Source: Consolidated revenue figures from Consolidated Government Finance, Statistics Canada, Cat. 68-202. See Table 4 for lottery figures.

Notes
(1) 1978 figures are estimates based on actual federal government data and on estimates of provincial and local governments.
(2) Estimates.
(3) Includes Taxes on Amusements and Admissions to Places of Entertainment, and Racetrack Betting.
(4) Refers to Gross Operating Revenue of all Government Operated Lotteries.
(5) Refers to Net Lottery Profit of Provincial Government Operated Lotteries.

Table 4

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Thousands of Constant 1971 Dollars -									
TICKET SALES	54,603	71,203	90,638	107,826	229,394	291,691	407,631	406,732	434,292	426,115
Olympic Lottery	...	...	...	...	113,059	113,324	72,327	...	...	...
Loto Canada	...	...	...	...	...	...	59,038	106,730	111,398	50,678
Federal	...	...	...	...	113,059	113,324	131,183	116,390	122,348	50,717
Atlantic Lottery	...	...	...	...	...	...	6,330	20,883	20,788	17,973
Loto-Quebec	54,603	71,203	90,638	107,826	97,842	94,304	108,759	104,837	116,304	139,408
Ontario Lottery Corp.	...	...	...	...	...	62,268	125,821	124,234	112,009	141,639
Western Canada Lottery	...	...	...	...	16,492	19,297	40,336	38,273	61,821	66,273
Provincial	54,603	71,203	90,638	107,826	114,333	176,368	274,446	288,567	310,944	367,299
COMMISSIONS & DISCOUNTS	8,211	10,708	13,140	15,221	16,376	23,999	17,836	12,391	10,691	11,689
Olympic Lottery	...	...	...	...	...	...	...	...	...	...
Loto Canada	...	...	...	...	...	...	9,633	11,636	11,350	8,038
Federal	...	...	...	...	...	...	9,633	11,636	11,350	8,038
Atlantic Lottery	...	...	...	...	...	...	528	1,049	1,038	853
Loto-Quebec	8,211	10,708	13,140	15,221	14,372	13,608	14,292	12,337	9,847	11,703
Ontario Lottery Corp.	...	...	...	...	...	8,031	12,690	12,500	10,710	12,377
Western Canada Lottery	...	...	...	...	2,004	2,360	4,914	4,621	7,344	8,396
Provincial	8,211	10,708	13,140	15,221	16,376	23,999	32,183	30,737	29,141	33,650
Net Ticket Sales	46,392	60,495	77,498	92,605	213,018	267,692	349,814	342,346	393,601	384,427
Olympic Lottery	...	...	...	...	113,059	113,324	72,327	...	...	...
Loto Canada	...	...	...	...	...	...	49,005	106,730	111,398	50,678
Federal	...	...	...	...	113,059	113,324	121,332	106,730	111,398	50,678
Atlantic Lottery	...	...	...	...	...	...	5,222	19,834	19,741	17,004
Loto-Quebec	46,392	60,495	77,498	92,605	83,470	81,192	89,467	92,320	106,457	127,703
Ontario Lottery Corp.	...	...	...	...	...	54,237	113,171	111,733	101,298	129,262
Western Canada Lottery	...	...	...	...	14,459	16,937	35,422	33,602	54,307	59,779
Provincial	46,392	60,495	77,498	92,605	97,929	152,369	242,283	257,610	281,803	333,748
PRIZES	16,316	24,701	36,782	42,779	86,121	118,139	181,468	184,432	211,932	211,425
Olympic Lottery	...	...	...	...	43,774	46,692	28,458	...	...	...
Loto Canada	...	...	...	...	...	...	35,260	49,038	38,244	36,551
Federal	...	...	...	...	43,774	46,692	63,718	49,038	38,244	36,551
Atlantic Lottery	...	...	...	...	...	...	2,131	10,224	8,984	8,802
Loto-Quebec	16,316	24,701	36,782	42,779	37,269	37,594	49,000	46,184	32,583	43,000
Ontario Lottery Corp.	...	...	...	...	...	21,138	33,731	35,284	33,021	39,336
Western Canada Lottery	...	...	...	...	5,263	10,715	18,008	17,937	31,107	32,936
Provincial	16,316	24,701	36,782	42,779	46,532	71,447	117,860	129,374	132,787	183,174
Gross Operating Revenue	30,076	35,795	42,715	49,826	128,898	149,553	168,347	157,934	182,367	173,003
Olympic Lottery	...	...	...	...	71,285	66,629	42,100	...	...	...
Loto Canada	...	...	...	...	...	...	21,732	49,899	55,331	26,437
Federal	...	...	...	...	71,285	66,629	63,825	49,899	55,331	26,437
Atlantic Lottery	...	...	...	...	...	...	9,091	9,719	9,760	7,202
Loto-Quebec	30,076	35,795	42,715	49,826	44,265	43,608	46,467	46,136	53,872	64,703
Ontario Lottery Corp.	...	...	...	...	...	31,099	57,440	56,190	42,277	49,327
Western Canada Lottery	...	...	...	...	11,368	6,229	16,323	16,170	25,108	27,363
Provincial	30,076	35,795	42,715	49,826	57,609	80,936	124,322	128,236	129,017	148,571

- figures may not add due to rounding -

Table 9
(cont'd)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Thousands of Constant 1971 Dollars -									
EXPENSES	4,290	4,986	7,930	8,847	10,067	21,417	31,228	31,130	47,899	44,229
Olympic Lottery	...	...	...	...	8,189	6,979	6,501	...	...	...
Loto Canada	...	...	...	...	...	...	7,127	11,339	19,187	11,120
Federal	...	...	...	...	8,189	6,979	13,628	11,339	19,187	11,120
Atlantic Lottery	...	...	...	...	...	...	1,198	2,422	2,518	2,692
Loto-Quebec	4,290	4,986	7,930	8,847	8,667	8,421	7,766	7,679	13,006	17,832
Ontario Lottery Corp.	...	...	...	...	...	3,820	6,043	6,317	6,907	6,782
Western Canada Lottery	...	...	...	...	3,212	2,197	2,842	3,323	6,186	8,783
Provincial	4,290	4,986	7,930	8,847	11,879	14,438	18,799	19,771	28,612	38,109
Net Operating Revenue	23,787	30,808	34,767	40,978	108,830	128,138	136,921	149,804	139,369	123,773
Olympic Lottery	...	...	...	...	63,099	61,630	37,999	...	...	...
Loto Canada	...	...	...	...	...	...	13,798	16,246	33,964	15,307
Federal	...	...	...	...	63,099	61,630	51,397	16,246	33,964	15,307
Atlantic Lottery	...	...	...	...	...	...	2,943	5,298	7,263	9,310
Loto-Quebec	23,787	30,808	34,767	40,978	37,602	35,183	38,702	38,477	40,868	46,851
Ontario Lottery Corp.	...	...	...	...	...	27,279	31,997	39,873	33,576	40,345
Western Canada Lottery	...	...	...	...	8,129	4,026	12,481	12,817	14,922	18,559
Provincial	23,787	30,808	34,767	40,978	43,731	66,488	105,524	108,465	100,405	115,466
OTHER REVENUE	241	63	83	131	4,132	4,391	6,197	4,229	4,890	4,202
Olympic Lottery	...	...	...	...	3,330	2,836	1,309	...	...	...
Loto Canada	...	...	...	...	...	...	2,204	2,067	2,363	2,418
Federal	...	...	...	...	3,330	2,836	3,709	2,067	2,363	2,418
Atlantic Lottery	...	...	...	...	...	...	28	129	249	468
Loto-Quebec	241	63	83	131	239	312	940	589	286	1,543
Ontario Lottery Corp.	...	...	...	...	...	487	1,121	972	1,182	1,839
Western Canada Lottery	...	...	...	...	563	756	402	469	609	912
Provincial	241	63	83	131	802	1,555	2,488	2,158	2,527	4,784
NON-RECURRING EXPENSES	-			-	-	-	736	1,164	13,402	243
Olympic Lottery	...	...	...	...	-	-	736	...	...	...
Loto Canada	...	...	...	...	...	...	-	...	6,368	16,739
Federal	...	...	...	...	-	-	736	-	6,364	16,539
Atlantic Lottery	...	...	...	...	...	...	-	-	-	201
Loto-Quebec	-	-	-	-	-	-	-	1,164	110	1,998
Ontario Lottery Corp.	...	...	...	...	...	-	-	...	6,726	8,290
Western Canada Lottery	...	...	...	...	...	-	-	...	...	726
Provincial				-	-	-	-	1,164	6,836	9,784
Net Profit	26,028	30,873	34,851	41,129	112,962	132,329	162,383	147,461	125,839	129,730
Olympic Lottery	...	...	...	...	66,429	64,306	38,367	...	...	...
Loto Canada	...	...	...	...	...	...	16,005	18,406	29,763	20,264
Federal	...	...	...	...	66,429	64,306	54,370	18,406	29,763	20,264
Atlantic Lottery	...	...	...	...	...	...	2,969	7,427	7,491	6,775
Loto-Quebec	26,028	30,873	34,851	41,129	37,341	33,494	39,642	37,301	41,064	44,399
Ontario Lottery Corp.	...	...	...	...	...	27,766	32,518	38,845	29,830	40,613
Western Canada Lottery	...	...	...	...	8,492	4,762	12,883	11,286	17,231	19,678
Provincial	26,028	30,873	34,851	41,129	46,333	68,022	108,013	109,459	98,096	109,466

- figures may not add due to rounding -

Table 1

PRIVATE OPERATED LOTTERIES

ITEM	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
LICENSES (No.)	[illegible]	[illegible]	[illegible]	20,810	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec	251	1,838	4,221	6,232	6,384	7,303	7,372	7,940	7,911	5,737
Ontario	[illegible]	12,908	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	19,279
Manitoba (1)	–	–	–	–	–	–	–	433	744	1,531
Saskatchewan	–	–	–	–	–	–	–	1,144	900	1,344
Alberta (2)	–	–	–	–	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Columbia	–	–	–	–	–	–	–	1,937	[illegible]	2,944
	- Thousands of Constant 1971 Dollars -									
GROSS RECEIPTS	61,473	109,373	115,503	141,770	142,038	174,213	166,382	201,744	208,214	211,223
Quebec	[illegible]	23,336	[illegible]	46,984	42,343	43,744	43,379	44,211	41,364	44,736
Ontario (3)	44,879	83,837	80,341	80,749	80,836	78,843	76,240	75,931	77,487	75,447
Manitoba (1)	–	–	–	–	–	–	–	7,140	10,887	13,373
Saskatchewan	–	–	–	–	–	–	–	4,097	4,216	4,947
Alberta (2)	–	–	–	–	18,637	33,606	46,913	57,263	62,012	34,723
British Columbia	–	–	–	–	–	–	–	12,814	8,373	17,498
NET RECEIPTS	[illegible]	70,936	[illegible]	35,367	[illegible]	43,311	44,444	[illegible]	[illegible]	[illegible]
Quebec	[illegible]	5,731	[illegible]	8,722	[illegible]	10,939	[illegible]	[illegible]	[illegible]	11,134
Ontario (3)	[illegible]	23,181	[illegible]	37,223	34,231	33,639	22,887	22,776	23,504	22,708
Manitoba (1)	–	–	–	–	–	–	–	[illegible]	[illegible]	[illegible]
Saskatchewan	–	–	–	–	–	–	–	1,294	1,295	1,483
Alberta (2)	–	–	–	–	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	11,739
British Columbia	–	–	–	–	–	–	–	[illegible]	[illegible]	4,997

Source: See Appendix C for details.

Notes

(1) Manitoba data for 1977-78 and 1978-79 (calendar years 1977 and 1978) include only games licensed by the Manitoba Lottery Licensing Board. Data on Municipally licensed games was not available for the years prior to 1979-80.
(2) Alberta data for 1978-79 (calendar year 1978) is for fourteen months and data for 1979-80 (calendar year 1979) is for ten months. Had the regular twelve month reporting period been used, according to a provincial spokesman, for Gross Receipts for 1979-80 would have been approximately $67.8 million constant 1971 dollars.
(3) Ontario financial figures are estimated. See p. 18, para. 6.16.

GOVERNMENT OPERATED LOTTERIES AND THE ARTS

Introduction

5.01 Public developments surrounding government operated lotteries are summarized in Appendix A. A standard financial statement is provided in Table 4, pp. 13-14. Greater detail is provided in Appendix B.

5.02 In 1970-71 there were only two government lottery corporations, Loto-Québec which operated three games, and the Manitoba Centennial Corporation which operated one game. By 1979-80 there were five corporations operating eleven games including two national lotteries: one operated by the federal government (Loto-Canada), and one by the provinces through the Interprovincial Lottery Corporation. There were two regional games: one operated by the Western Canada Lottery Foundation, and the other by the Atlantic Lottery Corporation. There were seven provincial lottery games: five operated by Loto-Québec, and two by the Ontario Lottery Corporation. The range and complexity of government operated games are subject to continual change as lottery corporations use various devices, e.g. lowering ticket prices; changing the frequency of draws; and changing the size or chance of prizes, in order to maintain or enhance net profits. A summary of government operated lottery support to the arts is provided in Chart 1, p. 51.

5.03 The Interprovincial Lottery Corporation (IPLC) is an umbrella organization established by the provinces in 1976 to administer 'national' lotteries including the Olympic. Incorporation was made possible by a 1976 amendment to the Criminal Code (see para. 3.11, p. 7). In late 1976, the Interprovincial Lottery Corporation started the Provincial, an interprovincial game. In 1980-81, Interprovincial Lottery Corporation introduced a second interprovincial game, the Super, which replaced Loto-Canada (see para. 5.104, p. 38). Initial IPLC participants included the Ontario Lottery Corporation and the Western Canada Lottery Foundation. Loto-Québec joined in September 1978, and the Atlantic Lottery Corporation in January 1979.

5.04 The Interprovincial Lottery Corporation is not an operating corporation. Each regional or provincial lottery corporation is responsible for its own marketing. Proceeds from tickets sold within a particular province or territory remain in that jurisdiction and are distributed by the various provincial or territorial lottery authorities. Operating costs are charged in a like manner. In fact, the Interprovincial Lottery Corporation does not publish its financial statement. All financial information is included in the statements of the regional and provincial lottery corporations (Table 4, pp. 13-14). However, the veiling effects of the IPLC complicate and compromise public review of government operated lotteries.

5.05 In this section complications have been avoided to provide a relatively clean and clear presentation. The concluding section of the report considers some of the complicating factors which compromise any study of this innovative funding source (see Chart 1, p.51). For each corporation five basic questions are answered:

i) Who is the lottery authority?

ii) Who act as distributors?

iii) Who act as retailers?

iv) Where do the proceeds go?

v) How can the arts obtain lottery funding?

GOVERNMENT OPERATED LOTTERIES AND THE ARTS

(a) The Atlantic Lottery Corporation

5.06 The Atlantic Lottery Corporation was incorporated in September 1976. Headquartered in Moncton, the Corporation employs 36 distributors who supply retailers with tickets. Retailer payments are received by the Corporation which deducts prizes and expenses to cover its operations and then distributes net proceeds to provincial lottery authorities. Proceeds are distributed according to provincial ticket sales. Each lottery authority then deducts expenses to cover its operations and transfers profits as directed by its provincial government. The Corporation has operated one regional game, the A-1, since 1976-77. It has also marketed the Provincial since 1978-79, and the Super since 1979-80, through the Interprovincial Lottery Corporation.

5.07 Ticket sales were $6.6 million in 1976-77, measured in constant 1971 dollars. They peaked at $21 million in 1977-78 and then declined to $18 million in 1979-80. Net profit increased from $3 million in 1976-77; peaked at $7.5 million in 1977-78, and declined to $4.8 million in 1979-80 (Table 4, p. 13-14). In 1980-81 the downward trend was arrested. Ticket sales rose to $20.6 million ($52.6 million current 1980 dollars) while net profit increased to $6.4 million ($16.4 million current 1980 dollars). The rate of return after deducting prizes and expenses was 31% of ticket sales in 1980-81.

Newfoundland

5.08 Treasury Board is currently the provincial lottery authority. It receives proceeds from the Corporation and transfers net profits to the government's consolidated revenue fund. Ticket sales within the province were $6.7 million current dollars in 1979-80. Lottery funds are not earmarked. Arts organizations cannot receive direct lottery funding.

Prince Edward Island

5.09 The Prince Edward Island Lottery Commission, established in 1976, is the provincial lottery authority. The Commission receives proceeds from the Corporation and transfers net profits to the government's consolidated revenue fund. Ticket sales within the province were $2.5 million current dollars in 1979-80. Lottery funds are not earmarked. Arts organizations cannot receive direct lottery funding.

Nova Scotia

5.10 The Nova Scotia Lottery Commission, established in 1974, is the provincial marketing agency. Ticket sales in the province were $16.7 million current dollars in 1979-80. In addition to commercial retailers three non-profit associations have been designated official retailers for the Lottery Commission. These include Sports Nova Scotia, Cultural Federations Nova Scotia, and the Exhibition Association of Nova Scotia. Constituent groups may also act as retailers as well as profit-making commercial operators. Official retailers receive the regular commission of 10% of ticket sales plus a 10% bonus from the Commission. In addition they receive 3% of tickets sold by their constituent organizations.

5.11 The Nova Scotia Lottery Commission receives proceeds from the Corporation, deducts expenses to cover its operations, and then transfers net profits to the Department of Finance's General Revenue Fund. Lottery profits are not earmarked. A spokesperson noted the province has never considered earmarking. Accordingly arts organizations do not receive direct lottery funding, except sales commissions. No additional statistical or descriptive information regarding support to the arts was available.

(a) The Atlantic Lottery Corporation (cont'd)

New Brunswick

5.12 The New Brunswick Lottery Commission, composed of the Minister and Deputy Minister of Finance and the Minister of Recreation and Cultural Resources, has been the provincial lottery authority since 1976. Ticket sales in the province during 1979-80 were $13.1 million current dollars. The Lottery Commission receives proceeds from the Corporation, deducts prizes and expenses to cover its operations, and then transfers net profits to the government's consolidated revenue fund. Lottery funds are not earmarked. According to a spokesperson earmarking has been considered but rejected by the provincial cabinet. Arts organizations cannot, therefore, receive any direct lottery funding, including sales commssions.

(b) Loto-Québec

5.13 Loto-Québec, incorporated in 1970-71, is the provincial marketing authority. Between 1970-71 and 1971-72 the Corporation operated three games: Mini-Loto; Inter-Loto; and Super-Loto. In 1972-73, a fourth game, Loto-Perfecta, was added followed in 1978-79 by a fifth game, Instant-Loto, and in 1979-80 by a sixth game, JNQ (La Quotidienne). In 1978-79, Super-Loto was replaced by the Provinical. Loto-Québec has marketed the Provincial since 1978-79, and the Super since 1979-80, through the Interprovincial Lottery Corporation.

5.14 Both commercial operators and non-profit organizations serve as distributors. Non-profit organizations serve as sole distributors of subscription tickets. Distributors provide retailers with tickets. Retailers include both profit and non-profit organizations. Distributor payments are received by the Corporation which deducts prizes and expenses to cover its operations, and then transfers net profits to the government's consolidated revenue fund. Proceeds are not earmarked. From time to time, however, proceeds from specific lottery draws are committed to specified activities. In 1978-79, for example, Loto-Québec used the first draw of its new Tictacto game to support Quebec Day celebrations. Arts organizations do not receive direct lottery funding, but do receive distribution and retailers commissions as well as support for special cultural events.

5.15 **Ticket sales increased from $54.6 million in 1970-71 to $139.4 million in** 1979-80, measured in constant 1971 dollars. Net profits in 1970-71 were $26.0 **million compared with $44.4 million in 1979-80 (Table 4, pp. 13-14).** It was recently announced that ticket sales for 1980-81 were $161.3 million ($410.6 million current dollars) and net profits were $55.4 million ($141.1 million current 1980 dollars). The rate of return after deducting prizes and expenses was 34% of ticket sales in 1980-81.

5.16 The 1977-78 Annual Report noted that Loto-Québec "faithful to the mandate conferred on it by governmental authorities set up machinery ... which permits non-profit organizations to participate in the sales of lotteries" (34). Both distribution and retail systems were re-designed in that year to benefit non-profit organizations.

Lotomatique

5.17 Through Lotomatique non-profit organizations receive commissions for the sale of subscriptions to various Loto-Québec games. Non-profit organizations are the only authorized subscription sales agents. Previously subscriptions were sold directly by Loto-Québec. The 1978-79 Annual Report noted Loto-Québec had

(b) Loto-Québec (cont'd)

Lotomatique (cont'd)

thereby "established a distribution and sales network composed of people already familiar with soliciting, granting these organizations the same discount as retailers while the government agreed to double this discount" (35).

5.18 Sales strategy is determined by each participating non-profit organization. Forms and materials are provided, free of charge, by Loto-Québec. Participating non-profit organizations receive the same percentage commissions and bonuses for sales of grand prize winning tickets as do commercial retailers. Commissions on unsolicited subscriptions are credited to members pro rata of sales. The Quebec government then effectively doubles commissions by providing, through Loto-Québec, a bonus equal to earned commissions.

5.19 During its first ten months of operation in 1978-79, Lotomatique paid out $253,400 current dollars made up of $127,900 from Loto-Québec and $125,000 in bonuses to 178 non-profit organizations. In 1979-80, 211 non-profit organizations received a total of $432,100 current dollars including $219,079 from Loto-Québec in discounts and $213,049 in government transfers. In 1980-81, $464,800 was paid out to over 200 participating non-profit organizations. Almost half went to 20 organizations which a spokesperson referred to as "very active at the present time". All 20 were service organizations. No arts groups currently participate.

Kiosks

5.20 By the mid-1970's Loto-Québec had established a system of commercial sales Kiosks across the province. The Kiosk system was modified in 1977-78, however, to eliminate favouritism and excessive profits as well as to increase Loto-Québec's relationship with non-profit organizations. The Annual Report for 1977-78 noted that both Lotomatique and Kiosk programs were "established in order to assure an equitable distribution in the interest of the organizations, while guaranteeing the absolute integrity of the services offered to customers" (36). In 1978-79 Loto-Québec began to transfer Kiosks from commercial retailers to non-profit organizations. By March 1980, some 46 non-profit organizations were operating 104 of 135 Kiosks. In addition 10 other Kiosks were managed by non-profit organizations representing the physically handicapped.

5.21 In 1978-79 and 1979-80 a number of arts organizations benefited from the Kiosk system including: Compagnie de Danse Eddy Toussaint; Orchestre Symphonique de Québec; Société des Festivals Populaires; Société Philharmonique; Festival d'été de Québec; La Société musicale et le mouvement Vivaldi; Alliance des Chorales du Québec; and Centre d'animation et Diffusion Culturelles.

Other Support

5.22 The arts also benefited in three other ways: (i) from special sponsorships of cultural events, e.g. support of Quebec Film Week in 1979; (ii) from Loto-Québec's 'super spectacles' for draws of the Provincial/Super-Loto and for which Quebec producers are commissioned to "allow numerous top artists to show their talents"; and (iii) from an annual competition among Quebec artists for original engravings inspired by Quebec legends and folklore to be included in the Loto-Québec Collection. Each year a new engraving is used in Loto-Québec's Annual Report. Engravings are to be published in an art book designed by Quebec artists (37).

(c) Ontario Lottery Corporation

5.23 Ontario Lottery Corporation was incorporated in February 1975. Between 1975-76 and 1977-78 it operated one province-wide game, Wintario. A second was added in 1978-79, Lottario. The Corporation has also marketed the Provincial since 1976-77, and the Super since 1979-80, through the Interprovincial Lottery Corporation.

5.24 The Corporation has 47 profit-making commercial distributors. Distributors work through a network of 20,000 commercial retailers including trust companies, smokeshops and other general retail outlets. While there is no prohibition against non-profit retailers it would appear that all retailers are commerical operators. Commissions vary between games. By way of example, at present distributors receive three cents for each of the first 100,000 Wintario tickets sold, and two cents thereafter. Retailers receive eight cents on each ticket sold.

5.25 Distributor payments are received by the Corporation which then deducts prizes and expenses to cover its operations and then transfers net profits, by statute, into the government's consolidated revenue fund. Net profits are held in trust by the Treasurer of Ontario and Minister of Economics and Intergovernmental Affairs "for such purposes as the Lieutenant Governor in Council may direct". Each lottery is earmarked by the government for specific purposes:

Lottery	Earmarking	From
Wintario	Recreation & Culture	1975-76
Provincial	Health Research & Environmental Projects	1976-77
Super	Health-related Capital Projects	1979-80
Lottario	Recreation & Culture	1980-81 *

* pending final Cabinet decision, para. 5.48-49, p. 24

5.26 Ontario Lottery Corporation ticket sales increased from $62.3 million in 1975-76 to $141.6 million in 1979-80, measured in constant 1971 dollars. Net profits were $27.8 million in 1975-76 compared to $40.6 million in 1979-80 (Table 4, p. 14-15). In 1980-81 ticket sales rose to $192.5 million ($490 million 1980 dollars) and net profit increased to $58.9 million ($150.0 million 1980 dollars).

Ministry of Culture & Recreation

5.27 The Ministry began operations on April 1, 1975. It receives funds from two sources: an annual appropriation from the legislature, and Wintario proceeds in response to a request to Management Board of Cabinet. In 1979-80 expenditures were $203.7 million current dollars of which $36 million or 18% was spent in support to the arts. By way of comparison, the Ontario Arts Council spent $13.5 million in support to the arts in 1979-80. Proceeds from the Ontario Lottery Corporation in 1979-80 were $62 million or almost 1/3 of total Ministry expenditure. The Ministry operates lottery grant programs in support to capital and non-capital projects in citizenship, culture, heritage, libraries, recreation and sports. Between 1975-76 and 1980-81 the Ministry made grants totalling $283 million. Of this total, the arts received almost $48 million, or 17%. Capital grants to the arts totalled $24 million and non-capital grants $24 million.

(c) Ontario Lottery Corporation (cont'd)

Wintario Capital Grants

5.28 The Ministry operates four capital programs including: (i) the Wintario Capital Grants Program; (ii) the Community Recreation Centres Program in support to sports-related facilities; (iii) the Cultural Capital Program in support to the visual and performing arts; and (iv) the Heritage Capital Program in support to museums and heritage conservation. The Wintario Program is the largest of the four. The other three are usually financed through the regular budgetary process.

5.29 In its 1980 assessment of capital grants programs, the Ministry noted that "within a few months of the introduction of the Wintario grants program in August 1975, it became apparent that the most costly single component would be the funding of capital projects" (38). In 1975-76 Wintario grants totalled $4 million in current dollars of which $1.2 million or 30% were used for capital purposes and $2.8 million or 70% for non-capital purposes and administration. By 1978-79 grants totalled $71.9 million of which $53.5 million or 74% were used for capital purposes and $18.4 million or 26% for non-capital purposes including administration.

5.30 The Wintario Capital Grants Program supports purchase, construction or renovation of cultural and recreational facilities, as well as conservation of heritage buildings. Eligible applicants included municipalities, non-profit organizations, school boards and Indian Band Councils. Funds are available for up to 1/3 of project costs after deducting other provincial and federal grants. In Northern and Eastern Ontario the maximum is up to 1/2 of total project costs to compensate for the weaker economic bases of these regions. Planning studies, portable equipment and furnishings associated with capital projects are eligible for 50 per cent of project cost.

5.31 Applicants must demonstrate local support through private contributions of either funds or services. Grants are tied to private support. A funding formula encourages municipal contributions of 1/4 to 1/3 of total project cost.

5.32 Between April 1, 1975 and April 1, 1979 the Ministry, through its four capital grants programs, expended a total of $196.0 million (accumulated current year dollars). The arts received $24 million or 12%. Of total arts support, $12.9 million or 54% came from Wintario and $11.2 million or 46% from annual appropriations including $2.4 million for the Community Recreation Centres Program and $8.8 million for the Cultural Capital Program.

5.33 Wintario capital grants amounted to almost $92 million (accumulated current year dollars) or 62% of all capital grants made between 1975 and 1979. Wintario grants increased faster than other programs rising from $1.2 million in 1975-76 to $52.3 million in 1978-79. Over the period, the visual and performing arts received $12.9 million (accumulated current year dollars) or 11%.

5.34 The Ministry noted in its 1980 assessment that "if the pattern of the past is sustained, it is realistic to project future Wintario profits will not exceed $45 million per year. This projection is supported by the experience of comparable lotteries elsewhere which tend to peak early and then level off" (39). The Ministry estimated that $15 million would be available for non-capital programs and $30 million for capital purposes. Since that time, however, higher than expected

(c) Ontario Lottery Corporation (cont'd)

Wintario Capital Grants (cont'd)

Lottario proceeds have altered the capital grant implications of this forecast (see para. 5.49, page 19).

5.35 The Wintario Capital Grants Program was suspended in January 1979. Eligible applications were processed until April 1980. By April 1980 all available Wintario capital funds were spent or committed. In January 1981, the Minister announced the program would resume. Applications were accepted as of April 1, 1981. However, a facilities access program for the disabled started in January 1, 1981. Applications will be accepted until September 30, 1981. Assessment will not take place until after September.

Half-Back

5.36 The Half-Back program is administered by the Ministry of Culture & Recreation and funded through Wintario proceeds. The program offers non-winning ticket holders a discount on Canadian cultural products of 50 cents for each $1.00 Wintario ticket. The program is a consumption subsidy fostering audience development. Three separate programs have operated to date.

5.37 The first Half-Back program operated between January 20 and April 12 1978. It provided a rebate to a maximum of $2.00 towards the purchase of Canadian books and magazines. Intended to promote Canadian books and magazines by providing buyers with an incentive, the program encouraged full service booksellers to promote Canadian reading material.

5.38 One hundred Canadian magazines and 450 retail bookstores participated. During its three months of operation, 225,000 Canadian-authored books and 100,000 subscriptions to Canadian magazines were purchased using the discount. Retail value of subsidized purchases exceeded $2 million. Nearly 1,000 Ontario schools and libraries organized community lottery pools and used the discount to build up school library Canadian collections (40). Approximately 1,200,000 Wintario tickets were refunded for roughly $600,000.

5.39 The second Half-Back program operated between May 1 and September 30, 1979. It provided support to Canadian recordings and feature films. A rebate to a maximum of $2.00 was again offered. Children's rates for feature films were, however, calculated on a sliding basis. Canadian records and tapes worth more than $1.3 million were purchased; some 200,000 people attended Canadian feature films using the discount (41). Approximately 1,500,000 Wintario tickets were used for discounts amounting to $600,000.

5.40 From July 1 to December 31, 1981 a third Half-Back program is operating. It is intended to support Ontario performing arts and Canadian paperbacks. A rebate to a maximum of $2.00 is again offered, but this time for admission to selected productions, performances and, in some cases, subscription series. To date approximately 300 companies have agreed to participate. Special discounts are also available to students and senior citizens. Mass market Canadian paperbacks, with a retail price of at least $1.25, are eligible for a maximum discount of $1.00 (42).

(c) Ontario Lottery Corporation (cont'd)

Challenge Grants

5.41 In February 1980, the Ministry of Culture and Recreation announced creation of an Arts Challenge Fund. Over a three-year period, $5 million of Wintario proceeds were to be used in support to major arts organizations. Recipients were, however, ineligible for other Wintario non-capital grants. The Challenge Grants program has four purposes:

i) to assist in establishing investment funds to provide additional long- term operating income;

ii) to assist in funding operating costs without creating a dependency on lottery dollars;

iii) to increase the current level and broaden the base of private/corporate support; and

iv) to eliminate accumulated deficits.

5.42 Of the initial $5 million, $1 million was to have been made available in 1980-81, and $2 million in 1981-82 and 1982-83. An additional $1.2 million was, however, allocated in 1980-81 in response to unexpectedly high demand. Total funding was raised, therefore, to $6.2 million over a three-year period.

5.43 The program is open to all arts organizations with annual operating budgets in excess of $250,000. Wintario funds will match with $2.00 every $1.00 over and above existing private/corporate support. Applicants must provide financial statements for three to five years prior to application. On the basis of private/corporate support received during these years a 'base' is calculated against which groups project anticipated fund-raising for each of the next three years. Payment each year will be adjusted to fund-raising performance.

5.44 Payment will be made on a pro rata basis, i.e. if available funds do not equal commitments, recipients will receive a percentage of their grant. After the program terminates the difference between the grant awarded and the amount paid will be made up in a final payment. In 1980-81, for instance, organizations were paid 85 cents on each dollar of their grant. Wintario funds must go into a separate investment account for a five-year period. Recipients may use the interest for operating purposes but may not use the principal for at least five years. Recipients will, in effect, receive three annual grants plus interest earned on their investment.

5.45 In 1980-81, twelve groups received $2.2 million. These included the Art Gallery of Windsor; Canadian Opera Company; Festival of Festivals; Guelph Spring Festival; Jewish Community Centre; London Symphony; National Ballet of Canada; Niagara Symphony; Shaw Festival; Stratford Festival; Theatre Aquarius; and the Hamilton Philharmonic. In 1981-82, only the Windsor Symphony has received payment.

Other Wintario Non-Capital Grants

5.46 Wintario proceeds have, since 1975, been used for other non-capital purposes in sports, the arts, heritage, recreation, citizenship, libraries and community information centres. Currently there are seven arts-related non-capital programs.

(c) Ontario Lottery Corporation (cont'd)

These programs include:

i) Portable Arts Equipment: to assist non-profit community arts groups to purchase essential equipment to a maximum of $3,000 and separate maxima for costumes, sets and uniforms or outfits;

ii) Training and Development: to assist non-profit cultural organizations to upgrade skills at recognized workshops or seminars;

iii) Visiting Artists: to help communities to gain access to professional artists through a co-ordinated program with local non-profit organizations to a maximum of $6,000;

iv) Fiscal Development: to assist non-profit arts organizations to improve their financial base to a maximum of $10,000;

v) Art in Public Places/Arts Acquisitions: to encourage purchase or commission of major works of art by community groups to a maximum of $10,000 for each purchase and $500 for jury and competition costs;

vi) Participation at Festivals and Competitions: to help non-profit community performing arts groups to participate in invitational public performances, festivals and competitions within Canada to a maximum of $2,000; and

vii) Audience and Membership Development: to encourage non-profit organizations and Canadian magazines to improve their own financial base by expanding membership, audience or circulation to a maximum of $10,000.

5.47 All programs are reviewed each year. The basic framework has remained the same since 1975. All non-profit groups are eligible. Each grant is made on a matching 'one-time' basis. No aggregate statistics are available concerning support to the arts through these non-capital programs.

Lottario

5.48 In 1978-79 the Ontario Lottery Corp. started a new lottery, Lottario. In 1978-79, Lottario lost $9 million, due to set-up costs associated with its extensive retail computer system. In 1979-80 and 1980-81, proceeds of $15 million and $59 million were placed in trust in the consolidated revenue fund. To date no government policy or programs have been announced. Pending final decision by Cabinet, expected in the near future, proceeds are being committed by the Ministry of Recreation & Culture.

5.49 Commitments to date include: the Ontario Education Communications Authority for transmitters ($3.5 million); the Royal Ontario Museum for renovations ($14 million); the Sudbury Science Centre for construction ($10 million); and the Hamilton Arena for construction ($4 million). All commitments are for capital purposes. Only the commitment to the Hamilton Arena was made on a matching basis. The commitment to the Royal Ontario Museum stemmed from the federal-provincial lottery agreement of 1979. Ontario agreed to take over the federal commitment for renovation of the museum using Lottario funds.

(d) Western Canada Lottery Foundation

5.50 The Western Canada Lottery Foundation was formed by the four western provinces of Manitoba, Saskatchewan, Alberta and British Columbia and the Yukon, an associate member, in 1974. In 1979 the Northwest Territories became an associate member. Prior to 1974 three provinces, Manitoba, Saskatchewan and Alberta, had major privately operated games and in the case of Manitoba also a government operated lottery, the Manitoba Golden Sweepstakes. The provinces joined together because of increasing inter-provincial lottery competition. Each agreed to:

i) designate an official provincial marketing organization;

ii) restrict the licencing of lotteries having cash prizes in excess of $100,000;

iii) licence only one lottery having a total cash prize fund of $250,000 for each half million population;

iv) headquarter the Foundation in Winnipeg, for 10 years;

v) locate the mail order operation at Selkirk, Manitoba; and

vi) establish a low price lottery game - the Western (43).

5.51 In 1974-75 the Foundation operated one game, the Western. This was soon joined in 1975-76 by a second game, the Express. In 1976-77, the Western was terminated in favour of the Provincial operated by the Interprovincial Lottery Corporation. The Foundation has also marketed the Super since 1979-80 through the Interprovincial Lottery Corporation. Each change of game had effects on the operations and structure of major privately operated games in each province. These effects are described in the subsequent review of each jurisdiction.

5.52 In practice the Foundation sells tickets to distributors approved by provincial or territorial marketing authorities. Distributors generally pick-up and pay 80% of the face value of tickets at branches of the Imperial Bank of Commerce. They then supply retailers with tickets, generally at 90% of their face value. The Foundation receives distributor payments through the bank. It deducts prizes and expenses to cover its operations and then distributes net proceeds to marketing authorities based upon ticket sales in each jurisdiction. Marketing authorities then deduct expenses to cover operations and transfer net profits as directed by each government.

5.53 Support to non-profit organizations is a major objectives of the Foundation. As noted in its 1978-79 Fifth Annual Report, the Western Canada Lottery is unique "in that it combines four Provincial Governments in a co-operative venture, as well as involving more than 500 community groups and organizations in their sales efforts" (44). Benefits to non-profit organizations vary between jurisdictions and tend to result from the unique history of privately operated lotteries in each jurisdiction prior to formation of the Foundation.

5.54 Ticket sales for the Western Canada Lottery Foundation increased from $16.5 million in 1974-75 to $68.4 million in 1979-80, measured in constant 1971 dollars. Net profits were $8.5 million in 1974-75 compared with $19.7 million in 1979-80 (Table 4, pp. 13-14 and Appendix B). Net profits for 1974-75 to 1978-79 were estimated because Foundation financial statements excluded the operations of the marketing authorities. The rate of return after deducting prizes and expenses was 29% of ticket sales in 1980-81. The Foundation recently announced ticket sales for 1980-81 were $77.3 million ($200.2 million current 1980 dollars).

(d) Western Canada Lottery Foundation (cont'd)

Manitoba: A Brief History

5.55 Manitoba's experience with government operated lotteries began on January 1, 1970 when the government passed the Manitoba Centennial Lottery Act enabling it to manage and conduct its own lottery through its agent the Manitoba Centennial Corporation. The Act was limited in duration to one year. Community group participation in the lottery was extensive. To minimize costs the Centennial Corporation convinced community groups to accept low commissions in return for grants from profit from the Manitoba Centennial Sweepstakes lottery. All proceeds to community groups were to be used for particular centennial projects. In addition the Centennial Corporation, through its agent the Centennial Citizens Campaign, instituted and maintained a substantial out-of-province mail order and solicitation service.

5.56 In 1971 the government enacted the Lotteries Act to enable it to operate government lotteries as well as licence privately operated lotteries. The Act created the Manitoba Lotteries Commission to manage government operated and the Manitoba Lotteries Licencing Board to licence privately operated lotteries. The community group distribution system developed by the Centennial Corporation, encouraged the Lotteries Commission to offer a combined distributor-retailer commission of 45% of retail value of tickets for the new Manitoba Golden Sweepstakes.

5.57 By 1973 it was apparent that other provinces, particularly in the west, were studying the the Manitoba Golden Sweepstakes and were considering setting up their own government operated lotteries. Manitoba became concerned that its small population could not support a major lottery if out-of-province sales of the Golden Sweepstakes were significantly reduced by new government lotteries in other provinces. This and other concerns led Manitoba to actively seek formation of the Western Canada Lottery Foundation in 1974 (45).

5.58 By 1975 the government concluded that the existing distribution system inherited from the Centennial Corporation was inefficient. In that year a new non-profit corporation, Western Lottery-Manitoba Distributor Inc. (WLMD), was created. It became the sole distributor of Western Canada Lottery tickets in the province. Initially three members were proposed: the Manitoba Arts Council, the United Way of Winnipeg and the Manitoba Sports Federation. The Sports Federation declined in order to maintain its privately operated Sportstotto lottery. To obtain a sports presence the Advisory Council on Fitness and Amateur Sports was created and designated as the third partner to share equally in the profits of the WLMD. Distributor and retailer commissions were reduced to 10% of the face value of tickets sold.

5.59 Non-profit community groups, which had played a major distribution role until 1975, had no formal role in the Western Lottery-Manitoba Distributor. After negotiations with representatives of the Lottery Commission, some 230 non-profit community groups formed a privately operated lottery corporation, Total Community Involvement Inc. The new corporation was licenced to operate two lotteries, the pre-existing Golden and a new Silver Sweepstakes. Neither competed successfully with Foundation lotteries. In 1979-80 Total Community Involvement Inc. gave up its games and became the fourth and equal partner in the Western Lottery-Manitoba Distributor Inc. (46).

(d) Western Canada Lottery Foundation (cont'd)

Manitoba: The Present

5.60 The Manitoba Lotteries and Gaming Control Commission is the current provincial marketing organization. Recently announced ticket sales for 1980-81 were $27.6 million current dollars. The Western Lottery-Manitoba Distributor Inc. is sole distributor of Western Canada Lottery Foundation lottery tickets in Manitoba. The WLMD is a non-profit corporation whose members, by Order-in-Council and written agreement, include the Manitoba Arts Council, the United Way, the Manitoba Sports Federation and Total Community Involvement Inc. Each supports their respective constituent groups from its share of distributor commissions. **In 1979-80 the WLMD had net distribution income of $2.4 million** with $600,050 going to each partner. Retailers include both commercial and non-profit operators.

5.61 Payments from distributors are received by the Foundation which deducts prizes and expenses to cover its operations, and then distributes net proceeds to the Manitoba Lotteries Commission based upon ticket sales. The Commission then deducts expenses to cover its operations and transfers profits to the Manitoba Lotteries Trust Fund. Profits are earmarked 2/3 to the Department of Fitness, Recreation and Sport, and 1/3 to the Department of Cultural Affairs & Historical Resources. In 1979-80 the Department received a total of $1,678,465 of which $1,276,091 went to Cultural Affairs Branch and $402,374 to Historical Resources Branch.

Manitoba Lottery Revenue in Support

5.62 A recent publication of the Western Canada Lottery Foundation summarizes disbursement of Manitoba lottery revenues between 1971 and 1981. Figures include all grants from lottery profits as well as revenue earned through WLMD. It does not, however, include retail commissions earned by non-profit groups (47):

MANITOBA LOTTERY REVENUE
Disbursements and Commitments
1971 - 1981

Yet to be allocated	$17,700
Commited but not paid out pending completion of projects	7,883,900
Paid:	
Sports	7,894,800
Culture *	7,433,700
Community Recreation	7,060,700
Social Services	2,767,600
Heritage	1,141,400
Community Involvement	1,500,000
TOTAL	$35,699,800

* a breakdown is provided in para. 5.63, p. 28

(d) Western Canada Lottery Foundation (cont'd)

Manitoba Lottery Revenue in Support to Culture

5.63 Between 1971 and 1981 approximately $7.4 million in WCLF profits and distributors commissions were used in support to culture:

MANITOBA LOTTERY REVENUE IN SUPPORT TO CULTURE
Disbursements and Commitments
1971 - 1981

Cultural Organizations	$817,400
Manitoba Arts Councils	3,527,400
Winnipeg Art Gallery	730,800
Festival Manitoba	1,154,200
Special Cultural Programs	564,200
Talking Books - C.N.I.B.	50,000
Language Programs	86,700
Libraries	503,000
	$7,433,700

The Department of Cultural Affairs & Historical Resources

5.64 In 1979-80 the Cultural Affairs Branch made grants totalling $5.2 million. Approximately $3.9 million or 75% were from the regular legislative appropriation. The remaining $1.3 million or 25% of grants were from Cultural Affairs' share of lottery profits. The Branch administers three arts support programs including a grants program for major cultural institutions; a grants program to assist communities and cultural organizations in the development of their activities; and a lottery grants program in support to Festival Manitoba, Concerts in the North and Tour Hosting. In 1979-80 the department made seven operating grants to major cultural organizations totalling $3.6 million. Recipients included the Manitoba Arts Council, the Winnipeg Art Gallery and the Manitoba Centennial Centre. In addition four capital grants totalling $0.3 million were made to major cultural organizations including the Winnipeg Art Gallery. Eight lottery grants totalling $0.7 million were made including a tied-grant of $0.3 million to the Manitoba Arts Council (48).

The Manitoba Arts Council

5.65 The Council has for a number of years received an annual legislative appropriation and 'tied' or special lottery grants in support to one-time or developmental projects from the Department of Cultural Affairs. Total Council income in 1979-80 was $1,304,000 of which $418,000 or 32% came in the form of the general appropriation; $719,000 or 55% in distributor commissions from the WLMD; and $138,000 or 11% from tied lottery grants. On-going operations, such as the Manitoba Theatre Centre, Royal Winnipeg Ballet and Winnipeg Symphony, are to be funded through the annual legislative appropriation. In 1979-80 tied lottery grants were intended to provide special loans to the Winnipeg Symphony, to support a special study of cultural facilities, and to make up for a shortfall in revenue earned from Council's participation in Western Lottery-Manitoba Distributor. This shortfall resulted from the government's decision, through an Order-in-Council, to include Total Community Involvement Inc. as an equal WLMD partner.

(d) Western Canada Lottery Foundation (cont'd)

The Manitoba Arts Council (cont'd)

5.66 The Chairman of the Council, in the 1979-80 Annual Report, noted Council was attempting to increase performing company grants to 15% of their operating budgets. The Chairman went on

> The Council has been able to consider this funding pattern only by committing the use of lottery monies to ongoing programs. The Council regrets that it must rely on its tenuous share of lottery revenue in this way and supports the recommendations of the Cultural Policy Review Committee report in its position that the Manitoba Arts Council should be less dependent on lottery revenues, not more dependent. Lottery-based revenues now make up more than 65% of our total income compared with 64% in 1978-79 and 33% in 1977-78. Tax-based appropriations for the normal operations in this current year are $417,600 compared to $537,500 in 1978-79 and $589,300 in 1977-78.
>
> It should be pointed out, however, that the large increase in the total budget of the Council during the past several years and, therefore, the funds available to support the arts, is directly attributable to the increase in lottery-based income, both as a result of Council's partnership in the Western Lottery-Manitoba Distributor Inc. and from supplementary funding from the lottery revenues accruing to the Department of Tourism and Cultural Affairs. Indeed, for two years now the Department has made a special grant to the Council from its lottery revenues; last year to bring the operating grants of three major performing arts companies to a 'current' basis and, this year, to assist the Council to reach its funding objectives for the major companies.
>
> The difficulties in accurately estimating lottery revenues, and, therefore, income to the Council create a major budgeting problem for Council. The Council has experienced a significant deficit for the first time in its history, attributable, in the main, to lottery shortfalls and, while further lottery funds are expected from the government, the shortfall has caused the Council real concern. (49)

Manitoba Cultural Policy Review Committee

5.67 In 1979 the government initiated a Cultural Policy Review Committee "to develop a statement of principles underlying government support of culture; on the basis of these principles, to examine the present grant structure, criteria and terms of eligibility, methods of processing applications, evaluating programs and providing accountability for the use of public funds" (50).

5.68 The Committee made several recommendations concerning lottery support to the arts including: (i) support for the government's policy of using lottery revenue for capital and special purposes in culture and recreation; (ii) lottery revenue should be used in a 'challenge grant' program to encourage establishment of endowments for cultural organizations; (iii) lottery revenue should be used to establish a 'Half-Back' scheme to be known as 'Replay'; (iv) all recommended lottery programs be implemented on a three-year trial basis; and (v) the Ministers of Culture and Recreation develop a joint strategy for new lottery revenues.

(d) Western Canada Lottery Foundation (cont'd)

Manitoba Lotteries Review Committee

5.69 In January 1979 the Manitoba Lotteries Review Committee submitted its final report to the provincial government (51). The report provided an exhaustive review of lotteries in Manitoba, including casinos and other forms of gambling treated as 'lotteries' by the Criminal Code. The Commissioner made two formal recommendations affecting lottery funding in support to the arts. These included that:

> i) the Manitoba Lotteries Commission be disbanded and replaced by a corporation with a Board of Directors, two of whom should be appointed on the recommendation of the Manitoba Arts Council; and
>
> ii) Total Community Involvement Inc. be added as a fourth and equal partner in Western Lottery-Manitoba Distributor Inc. and thereby receive one-fourth of total profits. This recommendation, accepted by the government in 1979-80, reduced the WLMD net income going to the Manitoba Arts Council from a third to a fourth and resulted in a shortfall in anticipated revenues made up by a special lottery grant from the Department of Cultural Affairs .

5.70 The Commissioner also recommended that lottery funds be made available to professional performing arts organizations not just for deficit retirement but also for operating purposes:

> Certain of the performing arts groups, in particular the Manitoba Theatre Centre, the Royal Winnipeg Ballet and the Winnipeg Symphony ... have maintained ... that to the extent such valuable community institutions are not funded from municipal, provincial and federal tax dollars and from private contributions, they should be able to look for assistance from lottery funding. Such organizations have enjoyed such assistance in the past but almost invariably for the reduction or elimination of deficits. The interests of the Province as a whole and of those performing organizations and others like them would be better served if the Lotteries and Gaming Control Commission were authorized to commit from lotteries funds, at least one year in advance, an amount or amounts towards operating expenses... Such a practise would not, in my view, impose a serious problem on lottery funding and would assist in imposing financial discipline upon the performing arts organizations funded from lotteries ...(52)

5.71 The Commissioner concluded his report by saying:

> Lotteries and lottery funding provide to governments a unique and special opportunity to assist in the growth and development and maturity of community organizations ... Neither tax dollars nor lotteries funds should ever become the sole source of funding for any of these community organizations... One ingredient must be evident in every decision respecting funding and the amount of funding from lottery monies to community purposes. That essential element is good judgement ... (53)

(d) Western Canada Lottery Foundation (cont'd)

Saskatchewan: A Brief History

5.72 There were no government operated lotteries in Saskatchewan prior to the formation of the Western Canada Lottery Foundation in 1974. However, in 1973 both the Regina Exhibition Board and Saskatchewan Sports were granted licences to conduct privately operated lotteries with prizes in excess of $100,000 (54). With formation of the Foundation, the province in effect appointed Sask Sports as the provincial marketing authority and distributor for Western Canada Lottery tickets as well as the principal distributing organization for lottery profits. In addition Sask Sports was to receive an annual lottery grant to cover its own administration. Sask Sports in return terminated its privately operated lottery.

5.73 The Regina Exhibition Board, however, continued its sweepstakes lottery, Super Loto. When the Foundation introduced its second game, the Express in 1976, it was necessary for Saskatchewan to eliminate Super Loto because the province's population was insufficent to support three major lotteries (see para. 5.50 iii, page 25). On January 20, 1977 Sask Sports signed an agreement with the Saskatchewan Super Loto Committee, representing the Regina Exhibition Board, by the terms of which Super Loto was terminated in return for payment of the first $300,000 of annual net income from the Western Express plus 20% of any net income in excess of $600,000. These payments continue to be made (55).

Saskatchewan: The Present

5.74 The Western Canada Lottery/Saskatchewan Division (WCL/SD), operated by Sask Sports, is the official provincial marketing authority. In 1980-81 ticket sales in the province was $21.2 million current dollars. Sask Sport Distributors Inc., through more than 220 non-profit organizations and several commercial distributors who joined in 1980-81, is the official distributor of Western Canada Lottery tickets in the province. Participating non-profit organizations include 74 sport groups, 15 cultural organizations and 106 services clubs. Retailers include both commercial and non-profit operators. In 1980 it is estimated that distributors received approximately $1.7 million and retailers $1.7 million in commissions.

5.75 Payments from distributors are received by the Foundation through branches of the Imperial Bank of Commerce. It then deducts prizes and expenses to cover its operations and distributes proceeds to the WCL/SD based upon ticket sales in the province. The WCL/SD then deducts expenses to cover its operations and transfers profits to Sask Sports Trust. In 1980 the WCL/SD transferred an estimated $3.3 million to Sask Sports Trust.

Sask Sports Trust

5.76 In 1974 Sask Sports Trust was established to receive and disburse lottery profits from WCL/SD. The Trust allocates profits through three committees: sports, culture and recreation. Each committee is made up of six 'experts' who meet four times a year to assess applications. Available funds are divided: 50% to sports; 40% to arts and culture; and 10% to recreation. This distribution formula was provided to Sask Sports at the time it was appointed the effective provincial marketing organization (56). In 1980 Sask Sports Trust allocated nearly $3.3 million current dollars in 700 grants to approximately 124 non-profit organizations.

5.77 The Culture and Arts Division of Sask Sports Trust administers grants in support to the arts. All grants are made from lottery profits. The purpose of the

(d) Western Canada Lottery Foundation (cont'd)

Sask Sports Trust (cont'd)

Division is to promote cultural activities and increase community involvement in cultural activities. There are currently ten grant programs including: Personnel; Out of Province Travel; Group Travel; Costume Assistance; Grant in Aid of Specialized Training; Equipment; Specialized Equipment; Pilot Projects-Special Projects-Innovations-Research; Two to Five Year Projects; and Public Fund-Raising Incentive Grants. In 1980 the Division provided $1.4 million in grants to 40 cultural organizations (57). By way of comparison, the Saskatchewan Arts Board had total expenditures of $1.5 million in 1979-80 (58).

Report of the Saskatchewan Cultural Policy Secretariat

5.78 The report of the Cultural Policy Secretariat, September 1980, made several recommendations concerning Sask Sports lottery funding of arts activities. The Secretariat recommended most cultural programs run by Sask Sport be transferred to the Saskatchewan Arts Board (SAB) or the Department of Culture and Youth. This recommendation was based on a number of assumptions:

i) Sask Sport was an inappropriate vehicle for the support of culture;

ii) Its presence, all the more significant because of increasing lottery funds, unnecessarily complicated arts funding in the province;

iii) Culture & Arts Division was a 'step-child' of a sports organization;

iv) The Board of Sask Sport contained no cultural representatives; and

v) To require cultural organizations and artists to apply to three grant-giving agencies for support for different aspects of their program is cumbersome, confusing and inefficient.

5.79 The Secretariat also noted that the Culture and Arts Division of Sask Sports maintained a policy of not duplicating funding from other agencies. Because of this policy Sask Sports had tried to find a role different from the Saskatchewan Arts Board and the Department of Culture and Youth. As a result "as lottery money has increased and funding for the other agencies has diminished relatively, (there) has been a distortion of priorities for many arts groups" (59).

5.80 The Secretariat made its recommendations with 'some regret'. It recognized that Sask Sport had brought considerable new funds to the arts. The Secretariat did not oppose the use of lottery money for culture, but rather it opposed Sask Sports as the vehicle for its disposition. The Secretariat supported the province's consistent view that lottery funding belonged outside the consolidated revenue fund, some distance from line departments. Accordingly it recommended that all lottery revenue, except that already designated for sports and recreation, be placed in a Saskatchewan Arts Board Endowment Fund, with a matching annual grant from the Heritage Fund. The Secretariat estimated that 40% of Sask Sport's funding in support to culture would be shifted to the endowment.

5.81 The Secretariat recommended that new revenues, anticipated from the Super, be used to support a ticket rebate program like the Ontario Half-Back program (p. 22). The Secretariat also recommended the Heritage Fund grant be made over five years "by which time the endowment fund should be able to generate enough income to provide close to one half of the Arts Board budget" (60).

(d) Western Canada Lottery Foundation (cont'd)

Alberta: A Short History

5.82 Prior to 1974 and the formation of the Western Canada Lottery Foundation, there were no government operated lotteries in Alberta. However, beginning in 1971 the Edmonton and Calgary Exhibition Boards both operated major sweepstakes lotteries offering $200,000 in prizes.

5.83 When the Western Canada Lottery Foundation was formed in 1974 the Department of Government Services also Responsible for Culture (Alberta Culture) became responsibile for marketing WCLF lottery tickets in the province. A representative of the Department sits as a voting member on the Board of the Foundation.

5.84 The department licenced the Western Canada Lottery-Alberta Division (WCL/AD), a partnership of the Calgary and Edmonton exhibition associations, as the principal marketing organization. The WCLF/AD is a non-profit organization with six Directors of its Board - three from the Edmonton Exhibitions Association and three from the Calgary Exhibition and Stampede Association. In addition, a representative of Alberta Culture sits as a non-voting member of the Board.

5.85 The WCL/AD was licenced to exercise exclusive distribution rights and responsibilities for Western Canada Lottery tickets in Alberta. In effect, WCL/AD became the provincial marketing organization. In turn WCL/AD appointed distributors throughout the province. Despite the agreement, however, distribution and sales remained legally the responsibility of the department (61).

5.86 The WCL/AD also became the principal distributing organization for lottery profits. Allocation of profits was prescribed by Order-in-Council and enshrined in various agreements with the partnership (62). While the allocation formula has changed through the years, both the Edmonton and Calgary exhibition boards have each received 30% of net WCL/AD income throughout the period. In return, both exhibition associations have terminated their cash sweepstakes lotteries.

Alberta: The Present

5.87 The Western Canada Lottery Foundation/Alberta Division (WCLF/AD) is the effective provincial marketing authority. It appoints distributors, all of whom are profit-making commercial operators. In addition to regular retailers, however, the WCLF/AD designates some non-profit groups as 'special retailers'. Regular retailers receive approximately 10% of the face value of each ticket. In 1979-80 there were 34 such 'special retailers' who earned $300,000 in commissions. Beginning in January 1980 net commissions of special retailers were doubled by WCL/AD. Most were service clubs. None were arts groups.

5.88 In 1979-80 ticket sales in the province were $40.8 million current dollars. Payments from distributors were received by the Foundation through branches of the Imperial Bank of Commerce. It deducted prizes and expenses to cover its operations and then distributed net proceeds to WCLF/AD, based upon ticket sales in the province. The WCLF/AD then deducted expenses to cover its operations and transferred net income of $9.3 million as directed by Alberta Culture (63).

(d) Western Canada Lottery Foundation (cont'd)

Alberta: Lottery Support to the Arts

5.89 The WCL/AD formula for allocating net income varies with each licence from Alberta Culture. Support to the arts varies, accordingly, with each licence. In 1977-78, with net income of $7.1 million current dollars and the Commonwealth Games in Edmonton still a financial reality to many arts groups, WCL/AD made 34 grants to arts groups totalling $2.1 million current dollars. Groups included the Banff School of Fine Arts, Northern Light Theatre, Alberta Ballet, Latitude 53 Society of Artists and the Alberta Arts Foundation. For the eight months reported for 1978-79, with net income of $5 million, WCL/AD made 15 grants to arts groups totalling $1.3 million current dollars. Groups included the Canadian Music Competitions, Talent Alberta Showcase Society, Alberta Foundation for the Performing Arts and the Canadian Music Centre. In 1979-80, with net income of $9.3 million current dollars, WCL/AD began the first year of a new three-year licence. It adopted a formula of 30% of net income to each exhibition association, and the remaining 40% to 12 non-profit foundations - 20% to sports and 20% to arts and culture. WCL/AD made seven grants to arts groups in 1979-80 totalling $1 million current dollars (64). In addition to a grant of $280,000 to the Alberta Foundation for the Canadian Music Centre under the old licence, grants went to:

> Alberta Foundation for the Performing Arts ($312,500): whose objectives are to provide persons and organizations with the opportunity to participate in the performing arts; and to support and contribute to the development of the performing arts.
>
> Alberta Art Foundation ($250,000): whose objectives are to encourage and facilitate the enjoyment of works of art by Alberta artists; to collect, preserve and display works of Alberta artists; and to assist artists resident in Alberta for the benefit of the public generally.
>
> New Western Film Foundation ($62,500): whose objectives are to encourage interest in the television arts and film production; to hold film and television festivals, seminars, workshops and educational conferences; to collect money by way of donations, dues or otherwise; and to hold or expand funds towards achieving the objectives of the organization.
>
> Canadian Band Director's Association, Alberta Chapter ($31,250): whose objective is to encourage the development of band music in schools and communities in the province through a variety of activities including: competitive conference of national and international performers and lecturers.
>
> Alberta Choral Director's Association ($31,250): whose objectives are to promote an understanding and appreciation of choral music as a medium of artistic expression; to develop choral music rehearsal techniques and practices; and to encourage the use of choral music in schools, churches, industry and the community.
>
> Alberta Historical Resources Foundation ($25,000): whose objectives are to assist the preservation of Alberta's historical buildings, sites and objects; and to assist development of a better understanding of Alberta's history.

(d) Western Canada Lottery Foundation (cont'd)

Alberta: Lottery Support to the Arts (cont'd)

5.90 The Alberta Foundation for the Performing Arts, the Alberta Cultural Heritage Foundation, and the Alberta Historical Resources Foundation, receive only lottery revenues from the WCL/AD. The Alberta Art Foundation, founded in 1972, pre-dates the Foundation and receives, in addition to lottery funding from the WCL/AD, an annual legislative appropriation through Alberta Culture.

British Columbia

5.91 There were no government operated lotteries in British Columbia prior to formation of the Foundation in 1974. The Lotteries Branch of the Ministry of Provincial Secretary and Government Services has been the provincial marketing authority since 1974. In 1980-81 ticket sales were $96.6 million current dollars. More than 250 non-profit groups act as distributors for Western Canada Lottery tickets in the province. Each receives 10% of gross ticket sales. Groups may not use distributor's commissions for operating purposes. Rather commissions must be distributed to constituent groups or for a charitable purpose. Between January 1, 1975 and December 15, 1978 some 275 non-profit societies earned more than $12.5 million. Most, according to a spokesperson, are sports groups, but also include some arts groups. No information concerning distributor commissions in support to the arts was available. Retailers include commercial and non-profit operators. No information concerning retailer commissions in support to the arts was available.

5.92 Payments from distributors are received by the Foundation which deducts prizes and expenses to cover its operations and then distributes net proceeds to the Lotteries Branch, based upon ticket sales in the province. The Lotteries Branch then transfers profits to the B.C. Lottery Fund, Ministry of Provincial Secretary and Government Services. In 1979-80 net proceeds were approximately $16 million current dollars.

5.93 Lottery proceeds are distributed in two ways: capital and equipment grants to a variety of organizations, and transfers to long-standing funding agencies including the B.C. Physical and Amateur Sports Fund; the B.C. Health Care Foundation; the B.C. Heritage Trust; and the B.C. Cultural Fund. In 1979-80 grants amounting to $6 million current dollars were made and $10 million were transferred to funding agencies.

Lotteries Grants Branch

5.94 Direct grants are made by the Lottery Grants Branch, Ministry of Provincial Secretary and Government Services. Generally they are made on a matching basis, but the formula varies from case to case. In 1979-80 the Branch made 37 direct grants to arts, bands and musical groups as well as museums and galleries totalling to $618,639. Arts groups received 27 grants totalling $472,252 including $100,000 to the Vancouver Symphony; $45,000 to the Vancouver East Cultural Centre; $30,000 to the Anna Wyman Dancers; $20,000 to Kaleidoscope Theatre. Two grants were made to bands and other music groups totalling $17,210. Eight grants were made to museums and galleries totalling $129,177. In 1980-81 a grant to the Vancouver Art Gallery for $2,000,000 over three years was approved. Of the total grant $666,700 was actually paid in 1980-81.

(d) Western Canada Lottery Foundation (cont'd)

Cultural Services Branch

5.95 The Cultural Services Branch is also part of the Ministry of Provincial Secretary and Government Services. In 1979-80 it had total income of $4,545,662 made up of: (i) an annual appropriation of $224,256 for administration and $229,670 for grants and subsidies, or 12% of total income; (ii) $1,540,212 in interest income earned on the B.C. Cultural Fund (34%); and (iii) $2,464,480 or 54% of total income transferred from the B.C. Lottery Fund (65).

5.96 In 1979-80 the Cultural Services Branch allocated $4.3 million through five grant categories (66):

i) Professional Arts Programs - in support of operations and projects to advance professional artistic development, expand professional services or develop new areas of interest - $2.8 million or 65% of all grants;

ii) Community Arts Development - in support of community arts councils and agencies to develop neighbourhood and regional arts resources and make them available to the community at large - $0.5 million or 12%;

iii) Service Programs - in support to non-profit organizations which provide specific services and programs to the entire province - $0.4 million or 9%;

iv) Artists and Student Services - in support to the arts education of promising residents and to encourage advanced studies and professionalism in the arts - $0.2 million or 5%; and

v) Special Services - $0.4 million or 9%.

Applications are assessed for artistic quality by advisory committees and the British Columbia Arts Board. Created in 1974 the Board has fifteen members appointed by the Minister and represents all regions of the province and all disciplines and community interests.

B.C. Cultural Fund

5.97 Established in April 1967 as a perpetual endowment, the objective of the Cultural Fund is to encourage and stimulate the arts by providing support to:

i) project and operations of the professional arts;

ii) projects and programs for community and amateur arts (through community arts councils); and

iii) arts scholarships.

5.98 It was originally endowed with $5 million, increased to $10 million in 1969; to $15 million in 1972; and to $20 million in 1974. Beginning in 1975 annual endowment interest of approximately $1.54 million has been augmented by direct transfers from the B.C. Lottery Fund. Between January 1975 and January 1979 the Cultural Fund received more than $4 million. This represented approximately 14% of the $31 million accrued by the Lottery Fund. In 1979-80 the Cultural Fund received a transfer of $2,464,480. The Cultural Services Branch estimates that 59% of every grant dollar awarded by the B.C. Culture Fund in 1979-80 came from lottery profits, compared with 36% in 1975-76.

(d) Western Canada Lottery Foundation (cont'd)

Yukon

5.99 The Yukon Lotteries Commission is the territorial marketing authority. In 1980-81 ticket sales were $0.7 million current dollars. Non-profit cultural and recreation groups serve as distributors of Foundation lottery tickets. Non-profit distributors receive 10% of gross ticket sales on Express and Provincial tickets and 15% on Super tickets. Some distributors are arts groups, including the Art Society, the Guild Society, and the Friends of the Gallery. Commercial and non-profit operators serve as retailers receiving a 10% commission.

5.100 Payments from distributors are received by the Foundation which deducts prizes and expenses to cover its operations and then distributes net proceeds to the Lotteries Commission, based upon ticket sales in the territory. The Commission then deducts expenses to cover its operations (under contract to Rampart Management) and transfers profits to a trust fund administered by the Commission.

5.101 Proceeds in 1980-81 were approximately $231,000 current dollars. Net profits were $150,000 or 65% of lottery proceeds. The remaining $81,000 or 35% went towards administrative expenses. The Commission is made up of sixteen individuals representing each constituency of the Yukon. The same group makes up the Recreational Advisory Committee (RAC) to the Department of Education.

5.102 The RAC receives an annual allocation from the Department of Education which in 1980-81 was $115,000. This is earmarked as operating support to cultural and recreational organizations. Various arts groups receive support, including the Yukon Arts Council, a volunteer agency, which received a $25,000 operating grant as well as a $5,000 project grant from the Lotteries Commission.

5.103 The Commission meets twice a year to review applications. According to a spokesperson the review process is demand-oriented. Applications are considered on their individual merits. Between December 1979 and July 1981 approximately $195,000 in grants were made of which $39,850 or 20% were for cultural projects.

Northwest Territories

5.104 The Northwest Territories became an associate member of the Foundation in September 1979. Sports North is the territorial marketing authority. Sports North also serves as sole distributor of Foundation tickets in the territories. Non-profit groups apply to Sports North to become retailers. According to a spokesperson, no arts groups serve as retailers.

5.105 Payments from distributors are received by the Foundation which deducts prizes and expenses to cover its operations and then distributes net proceeds to Sports North, based upon ticket sales in the territories. Sports North then deducts expenses to cover its operations and transfers profits to its member organizations and to non-profit retailers. All Sports North members are sports groups with the exception of the Council for the Disabled, an associate member.

5.106 In 1980-81 proceeds were $165,000 and distributed in the following manner - 45% to Sports North; 10% to Sports North's manager for administration; and 45% to non-profit retailer. No additional statistical or descriptive information concerning lottery support to the arts was available.

(e) Loto-Canada

5.107 The Olympic Lottery (Table 4, pp. 13-14) was incorporated in April 1974 to finance the 1976 Olympic Games in Montreal. By agreement regional and provincial lottery corporations distributed tickets for a specified return. In June 1976, Loto Canada was incorporated, replacing the Olympic. It was established to pay off the Olympic deficit and to finance the 1978 Commonwealth Games in Edmonton. In 1978-79, its last full year of operation, Loto-Canada had ticket sales of more than $262 million current dollars. Net profits in that year were more than $63 million.

5.108 In February 1979 the federal minister responsible for sports announced plans to re-allocate estimated $80 to $100 million in annual Loto-Canada profits 1/3 in support to amateur sports; 1/3 in support to culture; and 1/3 in support to research in sports and culture. This was the first time the federal government had formally proposed to use lottery funds to supplement regular budgetary support to the arts and culture.

5.109 With a new federal government in power, in August 1979 the federal and provincial governments agreed that the federal government would retire from the lottery field. Loto-Canada was effectively terminated on December 31, 1980. The Loto-Canada game, however, was continued by the Interprovincial Lottery Corporation as the Super. Like the Provincial, finances for the Super are included in financial statements of participating regional and provincial lottery corporations.

5.110 Withdrawal by the federal government from the lottery field was made in return for an annual payment of $24 million from the provinces indexed to the Consumer Price Index. Additional compensation was made by the provinces for commitments made of the federal government based on the operation of its own lottery. This additional compensation varied from province to province. In Ontario it included $14 million in support for the renovation of the Royal Ontario Museum (see para. 5.49, p. 24). While the subject of continuing controversy, the agreement remained in force after the change of the federal government.

A Special Program of Cultural Initiatives

5.111 In December 1980, the Minister of Communications announced creation of A Special Program of Cultural Initiatives (67). The program is to be financed from one-half of the payments received from the provinces. Over three years the federal government intends to spend $39.6 million current 1980 dollars to assist the arts and culture through four new program initiatives. At the end of the three-year period all program initiatives will be evaluated.

5.112 The first initiative, 'Deficit Reduction for Cultural Organizations', is intended to enhance the financial viability of professional performing arts organizations by reducing their accumulated deficits. A federal grant of 1/3 of the accumulated deficit up to a maximum of $300,000 will be made if the province and community each match the federal grant. Grants will be made once only for the fiscal year ending June 30, 1980 or its equivalent. Applications will be assessed by the Canada Council which will advise the Minister as to the professional and financial status of each applicant.

5.113 At least 140 performing organizations are eligible (Table 6, p. 40). Accumulated deficits for 91 reporting companies were $8.7 million in current 1979

(e) Loto-Canada (cont'd)

A Special Program of Cultural Initiatives (cont'd)

dollars. The federal/provincial/community share would be $2.9 million each. By August 4, 1981, 49 federal grants had been made totalling $2,433,000.

5.114 The second initiative, 'Management Development in Performing Arts Organizations' consists of two parts. The first is 'Assistance to Management Development Projects' intended to strengthen arts management. Grants will be based on an assessment by the Canada Council. By August 4, 1981, one grant had been made for $41,000. The second part is 'A Grant to Performing Arts Organizations without Accumulated Deficits' intended to reward organizations without accumulated deficits less than $10,000. In 1979, at least 157 performing organizations did not have accumulated deficits (Table 6, p. 40). By August 4, 1981, forty grants had been made totalling $585,000. Grants are based on company operating expenditures:

Company Expenditure	Grant
up to $100,000	$5,000
101 - 250,000	10,000
251 - 500,000	15,000
501 - 1,000,000	20,000
1,000,001 - 2,500,000	25,000
2,500,001 and over	50,000

5.115 The third initiative, 'Capital Assistance to Cultural Institutions' consists of two parts. The first is 'Capital Assistance to Non-Profit Organizations in the Performing Arts' and is intended to provide public access to professional performing arts by developing and upgrading a national network of facilities. Grants will be based on an assessment by the Canada Council and other experts in the field. The second scheme is 'Capital Assistance to Custodial Cultural Institutions' and is intended to conserve objects and exhibit them within capital assistance projects costing more than $200,000. Grants will be based on an assessment of the National Museums Corporation and other experts. Account will be taken of provincial commitment. By August 4, 1981, three grants had been made under both parts totalling $8,000,000.

5.116 The fourth and final federal initiative is 'Special Cultural Activities of a National Character or Significance' and is intended to assist projects of a national character or significance. The Department of Communications will assess all projects based on the assessment of relevant federal departments and agencies. By August 4, 1981, nine grants had been made totalling $925,000.

Table 6

DEFICIT STATUS OF PROFESSIONAL PERFORMING ARTS COMPANIES AND TRAINING INSTITUTIONS

as at December 31, 1975 or its equivalent

PROVINCE	Accumulated Deficit Companies				Accumulated Surplus Companies			All Companies					
	Known no. (1)	Reported no.	Expend $000	Deficit $000	Reported no.	Expend $000	Surplus $000	Known no. (1)	Reported no.	Expend $000	%	Deficit $000	%
CANADA	161	91	62,879	(8,711)	157	45,347	1,038	298	248	108,226	100.0	(7,693)	100.0
Dance	10	9	2,660	(410)	18	10,230	288	28	27	12,910	12.2	(122)	1.6
Music	69	29	27,070	(3,985)	69	17,416	164	98	78	44,488	41.8	(3,821)	50.1
Theatre	82	53	33,149	(4,316)	90	13,683	616	172	143	48,832	46.0	(3,719)	48.3
Newfoundland	2	1	73	(16)	2	167	4	4	3	240	0.2	(12)	0.2
Music	1	1	73	(16)	–	–	–	1	1	73	0.1	(16)	0.2
Theatre	1		–	–	2	167	4	3	2	167	0.2	4	–
P.E.I.	1	1	2,856	(103)	1	17	1	2	2	2,870	2.7	(102)	1.3
Music	–	–	–	–	1	17	1	1	1	17	–	1	–
Theatre	1	1	2,856	(103)	–	–	–	1	1	2,856	2.7	(103)	1.3
Nova Scotia	3	3	1,964	(219)	5	227	8	8	8	2,191	2.1	(210)	2.7
Music	1	1	1,008	(104)	2	30	–	3	3	1,038	1.0	(104)	1.4
Theatre	2	2	956	(115)	3	197	8	5	5	1,153	1.1	(106)	1.4
New Brunswick	2	2	887	(55)	1	167	2	3	3	1,054	1.0	(53)	0.7
Music	–	–	–	–	2	139	–	2	2	139	0.1	–	–
Theatre	2	2	887	(55)	1	28	2	1	1	915	0.9	(53)	0.7
Quebec	55	20	13,063	(1,475)	49	8,080	192	96	69	21,143	19.9	(1,283)	16.7
Dance	4	4	902	(92)	3	2,139	16	7	7	3,041	2.9	(75)	1.0
Music	12	1	5,951	(479)	8	778	113	20	11	6,689	6.3	(480)	6.2
Theatre	29	13	6,210	(904)	38	5,203	177	67	51	11,413	10.7	(728)	9.5
Ontario	55	38	29,641	(3,572)	53	17,685	570	108	91	42,326	39.8	(3,198)	41.6
Dance	5	3	834	(70)	5	5,237	79	10	8	6,071	5.7	9	+0.1
Music	20	13	8,784	(1,330)	21	7,036	69	41	34	15,820	14.9	(1,486)	19.3
Theatre	30	22	19,023	(1,952)	27	5,412	431	57	49	20,434	19.2	(1,721)	22.4
Manitoba	5	2	1,898	(734)	12	5,091	143	17	14	7,089	6.7	(609)	7.9
Dance	1	1	286	(128)	2	2,139	72	3	3	2,426	2.3	(56)	0.7
Music	2	1	1,712	(626)	4	726	30	6	5	2,437	2.3	(596)	7.7
Theatre	–	–	–	–	6	2,226	44	6	6	2,226	2.1	44	+0.6
Saskatchewan	4	4	1,010	(289)	2	768	176	6	6	1,778	1.7	(113)	1.5
Dance	–	–	–	–	1	193	112	1	1	193	0.2	112	+1.5
Music	2	2	283	(128)	–	–	–	2	2	283	0.3	(128)	1.7
Theatre	2	2	727	(626)	1	575	64	3	3	1,302	1.2	(132)	1.7
Alberta	4	4	6,650	(841)	16	6,482	24	19	16	13,132	12.2	(817)	10.9
Dance	1	1	637	(120)	1	43	–	2	2	680	0.6	(120)	1.6
Music	2	2	2,869	(289)	5	7,449	13	7	7	10,318	9.5	(276)	3.6
Theatre	4	1	3,144	(432)	4	990	12	10	7	4,134	3.8	(419)	5.7
British Columbia	18	16	9,760	(1,389)	20	2,663	113	38	36	12,402	11.7	(1,276)	16.6
Dance	–	–	–	–	6	699	9	6	6	699	0.3	9	+0.1
Music	9	6	6,390	(829)	3	1,279	29	14	11	7,669	7.2	(800)	10.4
Theatre	9	8	3,370	(559)	9	685	74	18	17	4,055	4.0	(485)	6.3

– figures may not add due to rounding –

Note
(1) Unreported companies have been assigned to the Deficit Program.

PRIVATE OPERATED LOTTERIES AND THE ARTS

Introduction

6.01 Public developments surrounding privately operated lotteries are summarized in Appendix A. Standard financial statistics for privately operated lotteries are provided in Table 5, p. 15 and Appendix C.

6.02 The amended Criminal Code (see para. 3.09 iii,iv,v, p. 7) enabled the provinces to licence private lotteries:

i) by charitable and religious organizations;

ii) at agricultural fairs and exhibitions; and

iii) at public places of amusement.

The provinces have taken differing advantage of this enabling clause. Eight provinces, the Yukon and Northwest Territories have initiated licencing procedures. Two provinces, Newfoundland and Prince Edward Island, have no formal procedures, but tolerated charitable and religious lotteries.

6.03 The provinces and territories may licence any lottery scheme, with the exception of games specifically prohibited in the amended Code - namely dice games, three-card monte, punch boards and coin tables. However, it was left to the provinces to prescribe regulations and procedures, which today vary from jurisdiction to jurisdiction. Most prescribe the type, size and number of games which can be licenced. Most prescribe the percentage of gross receipts to be returned in prizes and net receipts to be returned to sponsoring charities. All licence both 'money' and 'goods' lotteries. In some, rigid regulations are enforced; in others regulations vary case by case.

6.04 Charitable and religious organizations are generally non-profit groups exempt from income tax and able to issue tax deductible receipts to donors. There are some 43,000 non-profit organizations in Canada. Non-profit groups can be licenced <u>only</u> if the proceeds are used for charitable or religious purposes. In most jurisdictions, groups such as service clubs can also conduct lotteries if proceeds are paid to a recognized charity or used for a charitable or religious purpose. In some jurisdictions, 'for-hire' commercial operators can conduct a lottery on behalf of a licenced non-profit organization. In all provinces, lotteries at agricultural fairs and exhibitions are licenced. In Ontario and Quebec, the 'public places of amusement' provision has been used to regulate pinball machines and arcades. Accordingly, the definition of a privately operated lottery is subject to the varying definition of twelve provinces and territories.

6.05 Another factor complicating investigation is a paucity of comparative and comprehensive statistics. Most provinces do not maintain aggregate descriptive statistics. Most can provide information only for the most recent years. Some do not distinguish charitable and religious from other types of organizations, e.g. commercial amusement operators. It must be noted, however, that the vast majority of privately operated lotteries are conducted by charitable non-profit organizations. In an effort to provide compatible data reports from each jurisdiction were converted to a standard financial statistics format (Table 5, p. 15 and Appendix C). The resulting statistics provide a conservative and understated estimate of privately operated lottery activity in Canada.

6.06 Complications resulting from the complex changing nature and licencing provisions of privately operated lotteries have been avoided in this section to provide a relatively clean and clear presentation. The concluding section provides

consideration of some factors which complicate and compromise any study of this unique funding source. **Chart 1, page 51 provides a summary of licencing and** privately operated lotteries in support to the arts by jurisdiction. For each four basic questions are answered:

i) Who is the licencing authority?

ii) What games and operators are licenced?

iii) How many games and how much is involved?

iv) How can the arts obtain lottery funding?

(a) Newfoundland

6.07 There is no licencing authority in Newfoundland. As a result, according to a provincial spokesperson, lotteries are technically illegal. In the past, however, it has been policy to tolerate religious and charitable organizations conducting lotteries for strictly charitable purposes. Any other type of lottery would be prosecuted when a complaint was laid. Another spokesperson described private lottery activity as heavy and estimated annual gross receipts at $8 million. The Department of Justice is currently developing a licencing system for possible implementation in early 1982. The proposed system would be similar to Ontario where religious and charitable groups and agricultural fairs can run 'money' lotteries. 'Goods' lotteries at agricultural fairs would be exempt from licencing. No statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

(b) Prince Edward Island

6.08 There is no licencing authority in Prince Edward Island. The Department of Justice has prepared and submitted a proposed licencing policy to Cabinet. It is expected to become an Order-in-Council in late 1981. Details are not available. In the meantime, a spokesperson noted, the province will, in practice, be "turning a blind eye" to religious and charitable games. No statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

(c) Nova Scotia

6.09 The Nova Scotia Lottery Commission has been the provincial licencing authority since 1974 (see para. 5.10, p. 17). All 'commercial' licences were, however, frozen in October 1980. According to a spokesperson, the province is in the process of revising licencing regulations for introduction within 18 months. Charitable or religious groups are currently permitted to operate ticket or bingo lotteries. They must return 25% of gross receipts to the charitable or religious purpose. Licence fees are 2% of prizes awarded. The frequency and size of lotteries is determined at the discretion of the Commission. Groups are required to submit financial reports, but the Commission does not maintain aggregate statistics. No statistical or descriptive information concerning private lotteries in support to the arts is available.

(d) New Brunswick

6.10 Under Order-in-Council (80-807) October 2, 1980, the Lotteries Commission of New Brunswick became the provincial licencing authority. Prior to that time the Commission dealt exclusively with government operated lotteries (see para. 5.12, p. 18). The Commission immediately set up a temporary licencing system until permanent regulations could be developed. Under the interim system, applications are submitted to district revenue offices of the Department of Finance which issues the licence, in most cases. For unusual or difficult applications, district revenue offices consult the Lotteries Commission which renders the final decision. To date there is no provision for central licencing of applications. There are no hard and fast guidelines.

6.11 A second Order-in-Council (81-18), issued in January 1981, clarified eligibility. Whereas the first Order-in-Council stated that only religious and charitable groups were eligible, Order-in-Council 81-18 extended eligibility to all "those whose principal object is the furtherance of sport, social, community or fraternal objects and who will utilize the proceeds of any lottery scheme for such purposes" (65). According to a Department of Finance spokesperson, all non-profit organizations are eligible provided they comply with the Criminal Code. Licences are issued for a maximum period of one year. All standard games such as raffles, bingos, etc., are licenced.

6.12 According to another Department of Finance spokesperson, the permanent licencing system, expected in the fall of 1981, will be much more comprehensive. Details await deliberations of the Lottery Commission. Accordingly no statistical or descriptive information on privately operated lotteries in support to the arts is available.

(e) Quebec

6.13 "La régie des loteries et courses du Québec" is the provincial licencing authority. It administers legislation originally introduced in December 1969. Legislation has been modified since, but Quebec has licenced private lotteries continuously since 1970. All games permitted by the Criminal Code are licenced. In 1979-80, public places of amusement such as pinball machines, slot machines, bowling alleys and amusement rides have been licenced.

6.14 In 1970-71, Quebec issued 231 licences for 21,358 events. Licences peaked at 7,940 in 1978-79 compared to 5,737 in 1979-80. The apparent decline resulted from greater use of multiple event licencing. The number of events held in 1979-80 is not available. However, in 1978-79 some 7,911 licences were issued for 42,282 events (Appendix C). The 1970 figure is misleading because during the first year many organizations operated games without a licence. In 1970, some 1,241 organizations ran games. In 1978, more than 3,613 organizations held lotteries. Over the period, 304,089 games of chance were operated under 55,738 licences.

6.15 In 1970-71, gross receipts were $14.6 million compared to $44.8 million in 1979-80, measured in constant 1971 dollars (Table 5, p. 15). In 1970-71, net receipts were $3.9 million or 26.4% of gross receipts compared to $11.2 million or 24.9% in 1979-80. In 1970-71, gross receipts were 26.7% of Loto-Québec ticket sales compared to 32.1% in 1979-80.

6.16 From time to time, La Regie publishes, in its annual report, a breakdown of private lottery finances by type of organization including religious, social, cultural,

(e) Quebec (cont'd)

leisure and other. The most recent breakdown is for 1978 (68). Of gross receipts amounting to $94.6 million current dollars in 1978, 'cultural' organizations received $3.7 million or 3.9% (Appendix C). Of $22 million in net receipts, cultural organizations received $1.0 million or 4.7%. It should be noted that 'cultural' is used in the broadest sense including, for example, summer camps. No further statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

(f) Ontario

6.17 The Lotteries Branch of the Ontario Ministry of Consumer and Commercial Relations is the provincial licencing authority. It administers legislation originally introduced in 1970. Licencing authority is, however, shared with the municipalities. The municipalities can licence charitable or religious groups to conduct: (i) a bingo or raffle lottery; or (ii) a scheme at a bazaar within prescribed prize limits. For bingo and raffle lotteries, all prizes, cash or merchandise, on a single occasion, cannot exceed $3,500 or $5,000, respectively. A provincial licence is required when these limits are exceeded. A provincial licence is also required for all other lotteries. The 'public places of amusement' provision of the amended Criminal Code has recently been used to licence pinball machines and arcades.

6.18 In 1970-71, Ontario and its municipalities issued 6,865 licences for 30,779 events compared to 19,559 licences for 101,011 events in 1979-80 (Table 5, p. 15). Financial figures, other than prizes, are not available. Prizes amounted to $23.4 million in 1970-71 compared to $37.8 million in 1979-80, measured in constant 1971 dollars.

6.19 For raffles in Ontario, prizes are approximately 50% of gross receipts and net receipts average 30% of gross receipts. Using these ratios, estimates were calculated for gross and net receipts. It should be noted, however, that ratios for other games of chance differ. The resulting estimate probably understates the magnitude of privately operated lotteries. Estimated gross receipts in 1970-71 were $46.9 million compared to $75.7 million in 1979-80 measured in constant 1971 dollars. Net receipts were $14.1 million in 1970-71 and $22.7 million in 1979-80.

6.20 According to the Lotteries Branch "the history of lottery licencing in Ontario has been uniquely characterized by its emphasis on allowing thousands of organizations, each supporting its own very worthwhile cause, to benefit from the amendment to the Criminal Code in 1970". To the province:

> The income provided from lotteries has, in varying degrees, removed the pressure on government and private individuals to continually subsidize these vital pursuits on a 'hand out' basis. Many previously worthwhile projects have been revived through the knowledge that lottery money would guarantee a minimum degree of continuity in their operations (69).

6.21 In 1979, 234 organizations held raffles with gross receipts of $32.7 and net receipts of $10.6 million in current dollars (Appendix C). Several arts groups held raffles in 1979. The Peterborough Symphony Orchestra raised $10,030 current dollars in gross receipts and $2,161 in net receipts. The Royal Ontario Museum

(f) Ontario (cont'd)

raised gross receipts of $44,980 and net receipts of $39,822 which were used towards its expansion and renovation fund. Other arts groups have held 'goods' and 'money' lotteries. Arts Canada Magazine, for example, has held several 'arts lotteries' using donated art work. In 1978, it raffled 6 works, selling 500 tickets at $50 a piece. Gross receipts were $25,000 and net receipts were $12,000. In 1980, Arts Canada raffled 22 works of art, selling 2,300 tickets at $10 a piece. Gross receipts were $23,375 and net receipts were $8,000. No further statistical or descriptive information concerning private lotteries in support to the arts is available at this time.

(g) Manitoba

6.22 The Lotteries Licencing Board of the Attorney General's Department is the provincial licencing authority. It administers legislation originally introduced in 1971. Responsibility is, however, divided between the province and the municipalities which can only licence charitable or religious lotteries. Specifically, municipalities may licence bingo and raffle lotteries when prizes for a single event do not exceed $3,000; bazaar lotteries when each prize does not exceed $100 and the value of securing a chance does not exceed 50 cents.

6.23 The Board licences bingo and raffle lotteries with prizes greater than $3,000 and lotteries conducted at agricultural fairs, exhibitions and public places of amusement. Percentage of gross receipts limits are set on expenses and the return to the charitable purpose. Unless otherwise authorized, 25% of gross receipts of a bingo lottery must go to the licenced charitable purpose. Casino games are, however, exempt from most of these limits. Licence fees are charged by both municipal and provincial governments. The Board, for instance, charges a fee of 1% of bingo and raffle prizes.

6.24 Data for provincially licenced games are available from 1977-78. Municipal data are available only from 1979-80. In 1979-80, 5,052 licences were issued: 4,022 or 79.6% were municipal and 1,030 or 20.4% were provincial licences. Total gross receipts were $31 million current dollars of which 87% or $27 million went to provincial games. Net receipts were $8.8 million of which provincial games accounted for $6.7 million or 77%. No aggregate statistics concerning privately operated lotteries in support to the arts is available.

6.25 In June 1980 the Winnipeg Art Gallery held an 'internal' raffle for which 1,500 tickets were sold at $100 a piece with gross receipts of $150,000. Prizes amounted to $40,400. The only additional statistical information regarding support to the arts concerns casino games held in Winnipeg between 1978 and 1981.

Organizaton	Date	Profit
Manitoba Theatre Centre	Dec. 1978	$18,069
Royal Winnipeg Ballet	Sept. 1979	45,064
Winnipeg Symphony & Manitoba Opera Assoc.	Oct. 1979	69,773
Winnipeg Folk Festival & Multiple Sclerosis Soc.	May 1980	88,882
Manitoba Theatre Centre	Oct. 1980	109,733
Winnipeg Art Gallery & Wolinsky Collegiate	Jan. 1981	167,665
Royal Winnipeg Ballet & St. Boniface Research Fnd.	Apr. 1981	164,772
TOTAL		$663,958

(h) Saskatchewan

6.26 The Attorney General's Office was the provincial licencing authority from 1970 until April 1, 1977 when responsibility was transferred to the Lottery Licencing Division of the Department of Consumer Affairs. No formal licencing legislation exists. Rather the province relies upon regulations passed by Order-in-Council. Regulations issued in April 1978, and still in effect, allow the Director to issue bingo and raffle lottery licences with a maximum prize of $25,000. Any lottery exceeding this limit must be licenced by Order-in-Council. A spokesperson noted there was an increasing number of Order-in-Council licences being issued. None have exceeded $100,000 prize value. Smaller games can be licenced by municipal authorities. Only charitable lotteries, including those at exhibitions and agricultural fairs, are licenced.

6.27 Aggregate data are available only since 1977-78. In 1977-78, 1,148 bingo, raffle and casino licences were issued compared with 1,348 in 1979-80 (Table 5, p. 15). Gross receipts were $4.1 million in 1977-78 and $4.9 million in 1979-80, measured in constant 1971 dollars. Net receipts were $1.2 million in 1970-71 compared with $1.5 million in 1979-80. Prizes were approximately 55% of gross receipts; expenses 15%, and net receipts 30% of gross receipts.

6.28 According to a spokesperson, lottery activity is larger than licenced games. For example, although 'pull-ticket' lotteries are not currently licenced, the spokesperson estimated $7 million annually is generated by unlicenced operators from inside and outside the province. No statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

(i) Alberta

6.29 From 1970 until 1972 the municipal and RCM police were the effective licencing authority and operated under Order-in-Council. From 1973 to January 1981 the provincial licencing authority was the Gaming Control Section of the Attorney General. In January 1981 the Alberta Gaming Commission became the licencing authority. The Commission is made up of six private citizens and a chairperson appointed by the Attorney General. The Commission receives and assesses all applications and conducts public hearings concerning games and their regulation. The Gaming Control Section is responsible for enforcement and audit. Licences are issued to charitable and religious organizations, agricultural fairs and exhibition associations.

6.30 There is no general licencing legislation. Rather the province has traditionally designated a licencing agent by Order-in-Council. General policy guidelines are developed and issued by the Gaming Control Commission, from time to time. Conditions are determined on a case-by-case basis. There are no hard and fast rules as to frequency and size of games, with the exception of casinos. Only charitable and religious lotteries are licenced. The Gaming Control Section, in its audit and enforcement role, requires financial reports from each licencee at the end of each lottery event. No aggregate statistics are maintained, however.

6.31 As of January 1, 1981, two casinos are allowed to operate in Calgary and Edmonton at any one time. Previously only one casino was allowed. Casinos are limited to two days or less. Eligible organizations are allowed only one public or one private casino each year. The actual number of games is restricted to maximums of 15, 30, and 50 depending on the size of the

(i) Alberta (cont'd)

organization. Exhibition associations are allowed a maximum of 120 licenced games during annual agricultural fairs.

6.32 In 1974-75, 3,700 licences were issued for 21,366 events compared with 4,641 **licences for 26,830 events in 1979-80. In 1979-80, the Gaming Control Section** changed its reporting period resulting in an understatement for 1979-80 vis-a-vis previous years. During 1978-79, the last year under the old reporting system, 6,257 licences were issued for 37,505 events.

6.33 Gross receipts in 1974-75 were $18.7 million dollars compared to $54.7 million in 1979-80, measured in constant 1971 dollars. In 1978-79, the last year under the old reporting system, gross receipts were $62.0 million. In 1980-81 gross receipts were $61.0 million. Net receipts in 1974-75 were $4.7 million or 25.2% of gross receipts compared to $11.7 million or 21.5% of gross receipts in 1979-80. In 1980-81 net receipts rose to $12.9 million.

6.34 Private operated lotteries in Alberta are significantly larger than government lotteries. In 1979-80 gross receipts were 318% of Western Canada Lottery Foundation ticket sales in Alberta. Accumulated gross receipts for private games between 1974-75 and 1979-80 were 112% of accumulated ticket sales for the entire Foundation, in all provinces. No statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

(j) British Columbia

6.35 Between 1970 and 1976 the Administrative Office of the Ministry of the Attorney General was the provincial licencing authority. No formal licencing legislation exists. Rather the province relies upon Order-in-Council regulations. In 1976 regulations were revised and authority transferred to the B.C. Lotteries Branch of the Provincial Secretary and Minister of Government Services (see para. 5.91, p. 35). **Under regulations passed in June 1978, all private lotteries** allowed by the Criminal Code can be licenced. Games include single events and annual bingos to a maximum of 30 games on one occasion and limited to 52 occasions per year. In the case of religious and charitable lotteries a fixed percentage of the gross receipts - 30% in the case of ticket lotteries and casinos, and 15% to 20% of bingos - must go towards the religious or charitable purpose.

6.36 Data are only available from 1977-78. Licences increased from 1,937 in 1977-78 to 2,944 in 1979-80. Gross receipts rose from $12.7 million in 1977-78 to $17.5 million in 1979-80 in constant 1971 dollars. Net receipts increased from $3.2 million in 1977-78 to $5.0 million in 1979-80. According to a spokesperson "the very large increase in revenue and donations to charity can be attributed to a concerted drive to obtain long-overdue financial statements from licencees". Data are reported only for non-profit games of chance.

6.37 According to a spokesperson two legislative committees will be struck in late 1981 to examine gaming in British Columbia. One will investigate "social club gaming" (gaming other than non-profit), while the second will examine other forms of gaming. According to another spokesperson, a number of licences were issued to arts groups. However, they cannot be identified except by reviewing each application. No statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

(k) Yukon

6.38 The Deputy Minister of Consumer and Corporate Affairs is the territorial licencing authority under Lotteries and Games of Chance Regulations of September 1978. Religious and charitable organizations are eligible to conduct games not prohibited by the Criminal Code. According to a spokesperson, 'charitable' is interpreted broadly "thereby enabling community groups, through a licence, to organize and operate various lottery schemes to raise funds for community service work or charitable objectives". There are no restrictions on the number of lotteries. No licencing fees are charged. New regulations are under consideration.

6.39 Only one non-charitable game is licenced, 'Diamond Tooth Gertie's' in Dawson City, operated by the Klondike Visitors' Association. A special annual licence is issued and a fee credited to the consolidated revenue fund. In 1978, the fee was $5,520; in 1979, $6,625. Regulations were not established until mid-1978. In 1979, 157 licences were issued and 201 in 1980.

6.40 A number of arts groups received licences between 1978 and 1980. No financial or statistical information is available. Arts groups included:

Year	Organization	Number of Licences Issued
1978	Folk Music in Yukon	1
1979	Dawson City Music Festival	2
	Whitehorse Weavers and Spinners Guild	1
	Yukon Historical and Museum Association	1
	Dawson City Museum	4
1980	Yukon Craft Society	2
	Whitehorse Highland Dancers	1
	Dawson City Museum	1
	Whitehorse Spinners and Weavers Guild	1

(l) Northwest Territories

6.41 The Consumer Services Branch of the Department of Justice & Public Services has been the territorial licencing authority since 1973. According to a spokesperson "licences are issued ... to religious or charitable non-profit organizations if the proceeds are to be used toward a religious or charitable object or purpose". At present the Territories licence raffle and ticket lotteries; bingos; casino games including blackjack; over and under; as well as pull and break-open tickets. The Branch has developed draft regulations which have been distributed for discussion. A September 1981 deadline has been set for public submissions and new regulations are scheduled to come into force by January 1982.

6.42 In 1980, 555 licences were issued. Of the 474 groups reporting, net receipts were $1.0 million current dollars. Three arts groups held lotteries including the Guild of Crafts, Nothern Homecrafters and Inuvik Arts & Crafts. In the previous year the Inuvik Cultural Exchange and the St. Patrick's Musical Theatre Society held lotteries. Approximately 42% of private lotteries were in support to recreation or sports; 36% in support to service clubs; and 22% in support to youth, education and religious groups. According to a spokesperson less than 1% were held by arts groups. No further statistical or descriptive information concerning privately operated lotteries in support to the arts is available.

Conclusions

7.01 Various complicating factors make conclusions concerning government and privately operated lotteries somewhat tentative. Furthermore, the research program did not permit a complete investigation of government and privately operated lotteries. Nor did it permit a complete investigation of arts funding in Canada. Nonetheless, certain general conclusions concerning the linkages between lotteries and the arts can be drawn. Conclusions fall into four broad categories:

(a) Growth & Stability
(b) Accountability
(c) Use in Support to the Arts
(d) Abuse in Support to the Arts

(a) Growth & Stability

7.02 By any measure the growth of government and privately operated lotteries, particularly in the last five years, has been nothing less than phenomenal. In 1970-71 ticket sales were $116 million; 0.1% of Gross National Expenditure (GNE); and $5.45 for every man, woman and child in Canada. In 1979-80 ticket sales were $1.5 billion in current dollars; 0.5% of GNE; and $62 per capita. Official Canadian aid to developing countries, by contrast, was 0.4% of GNE in 1979-80. Government, corporate and university R&D expenditures were 0.9% of GNE.

Government Operated

7.03 Gross operating revenue from government lotteries in 1970-71 was $30 million; in 1979-80 $443 million in current dollars. As a percentage of consolidated tri-level revenue (federal, provincial and local), lottery revenue increased from 0.1% in 1970-71 to 0.4% in 1979-80. Provincial lottery revenue increased from $30 million in 1970-71 to $382 million in 1979-80, or from 0.1% of consolidated provincial-local revenue to 0.5%.

7.04 No source of public finance, with the possible exception of energy taxes, grew as fast in the last decade. Financial results for 1980-81, for the four active regional and provincial lottery corporations, show strong growth over 1979-80:

Atlantic Lottery Corp	Ticket Sales	$53 million up 28%
	(Net Profit)	16 million up 49%
Loto-Québec	Ticket Sales	411 million up 29%
	(Net Profit)	141 million up 39%
Ontario Lottery Corp	Ticket Sales	490 million up 51%
	(Net Profit)	149 million up 60%
Western Canada Lottery Fnd	Ticket Sales	200 million up 28%
	(Net Profit)	62 million up 39%
TOTAL TICKET SALES 1980-81 current dollars		$1,154 million up 37%
(TOTAL NET PROFIT 1980-81 current dollars)		369 million up 47%

7.05 In a period of stagflation and taxpayer revolt, governments are likely to maintain, and more probably extend, government operated lotteries, particularly given a real rate of return on sales of more than 30%, as well as general public acceptance. While lottery revenues have and will fluctuate, only scandal and the resulting loss of public confidence seriously threatens the revenue stability of government operated lotteries in Canada.

Conclusions

(a) Growth & Stability (cont'd)

Privately Operated

7.05 Gross receipts from privately operated lotteries increased from $17.9 million in 1970-71 to $482.9 million current dollars in 1979-80. Net receipts increased from $18 million in 1970 to $143 million. Most privately operated lotteries are conducted by non-profit organizations. There are about 43,000 non-profit organizations in Canada. In 1979, some 391 corporations donated $58.1 million to all religious and charitable causes. In 1978-79 direct and indirect (tax revenue foregone through deductions of individual charitable donations) federal expenditure in support to the non-profit sector was $546.5 million current dollars. By the end of the decade, privately operated lotteries were almost two-and-a-half times as important a funding source for non-profit organizations as corporate donations and more than 1/4 as important as federal support to the non-profit sector.

7.06 Faced with a pressing need for funding, the non-profit sector is likely to maintain, and more probably extend, privately operated lotteries particularly given a real rate of return on sales of 30% and general public acceptance. While lottery revenue has and will fluctuate and while eventually the market may become saturated, only two factors seriously threaten the revenue stability of privately operated lotteries. The first is scandal and the resulting loss of public confidence which in the last century led to the prohibition of lotteries. The second factor is competition from government operated lotteries which in some jurisdictions are eager to expand and thereby ensure public confidence.

The Arts

7.07 In 1981-82 direct provincial lottery support to the arts is estimated at $40 million current dollars. This excludes lottery revenues placed in general revenue which increases total resources available in support to the arts through regular programs. Total provincial cultural expenditures in 1979 were $261 million of which direct lottery support was at least 15% (70). In addition the federal government, through its Special Cultural Initiatives, will spend $13.3 million in lottery funds in support to the arts in 1981-82. Privately operated lottery support to the arts in 1981-82 is conservatively estimated at $20 million. Total direct lottery support to the arts in 1981-82, therefore, is estimated to be $73 million current dollars.

7.08 The pattern of support to the arts in the 1950's and 1960's was one of 'arms-length' agencies created by the provinces, but with the provinces playing a relatively small role. Both the provinces and their 'arms-length' arts agencies tended to take direction from the program initiatives of the Canada Council (71). By the mid-1970's the arts support pattern had changed to one of provincial ministries of culture using lottery revenues playing the leading role in innovative arts support programs like Half-Back etc. The role of 'arms-length' agencies declined, both in relative dollar terms and in terms of initiating innovative support programs (Chart 1, p. 51).

7.09 The rejection of lottery funding by 'arms-length' agencies is a continuing theme in arts support pattern of the 1980's. Such agencies tend to view lottery revenues as unstable and unreliable. However, both the experience of the 1970's and the fact that 'gambling' is an elemental and ongoing form of human behaviour, contradicts this assumption. Rejection by 'arms-length' agencies will result in a growing governmental 'political' presence in arts support through the 1980's.

CHART I

LOTTERIES IN SUPPORT TO THE ARTS

By Jurisdiction

June 1981

	ATLANTIC LOTTERY CORPORATION				LOTO-QUEBEC	ONT. LOTTERY CORP.
	Newfoundland	Prince Edward Is.	Nova Scotia	New Brunswick	Quebec	Ontario
GOVERNMENT OPERATED						
Authority	Treasury Bd.	Lottery Comm.	Lottery Comm.	Lottery Comm.	Loto-Quebec	Ont. Lottery Corp.
Distributors	corporate	corporate	corporate	corporate	commercial & Lotomatique (arts)	commercial
Retailers	commercial	commercial	commercial & bonus non-profit (arts)	commercial	commercial, Kinsos & bonus non-profit (arts)	commercial
Profits	general revenue	general revenue	general revenue	general revenue	general revenue	earmarked general revenue (Min. of Recreation & Culture)
Arts Commissions	no	no	no	no	yes	no
Arts Profit Sharing	regular programs	regular programs	regular programs	regular programs	regular programs	audience, capital, matching endow & equip grants + regular programs
PRIVATE OPERATED						
Licencing Authority	none	none	Lottery Comm.	Lottery Comm.	Regie des loteries et courses	Lotteries Branch Consumer & Commer. Relations
Arts Participation	not clear	not clear	yes	not clear	yes	yes

	WESTERN CANADA LOTTERY FOUNDATION					
	Manitoba	Saskatchewan	Alberta	British Columbia	Yukon	Northwest Terr.
GOVERNMENT OPERATED						
Authority	Lottery Comm.	WCLF/Sask Div.	WCLF/Alta Div	Lotteries Branch Prov. Secretary & Gov't Services	Lottery Comm.	Sports North
Distributors	WLMD (Manitoba Arts Council)	Sask Sports	commercial	non-profit (arts)	non-profit (arts)	Sports North
Retailers	commercial & non-profit (arts)	commercial & non-profit (arts)	commercial & bonus non-profit	commercial & non-profit (arts)	commercial & non-profit (arts)	commercial & non-profit (arts)
Profits	earmarked general revenue (DCAHR)	Sask Sports Trust	WCLF/Alta Div.	B.C. Lottery Fund	Lottery Comm. (arts)	Sports North
Arts Commissions	no	no	no	no	no	no
Arts Profit Sharing	project grants tied grants to MAC + regular programs DCAHR	Sask Sports Rec & Cult Div. + regular programs & Sask Arts Bd.	seven arts foundations & associations + regular programs (Alta Culture)	cap & equip grants (arts) & supplement BC Culture Fund	project grants (arts) + regular programs Dept. of Ed	special transfers to non-profit retailers (arts)
PRIVATE OPERATED						
Licencing	Licencing Bd. Attorney-General	Licencing Div. Consumer Affairs	Gaming Comm. Attorney-General	Lotteries Br. Prov. Secretary & Gov't Services	Consumer & Corp. Affairs	Consumer Services Justice
Arts Participation	yes	yes	yes	yes	yes	yes

Research & Evaluation
Canada Council

(b) Accountability

Political

7.10 Exclusive legislative authority of the Parliament of Canada extends to "The Criminal Law, except the Constitution of Courts of Criminal Jurisdiction, but including the Procedure in Criminal Matters" (Section 91 (27) of the British North America Act). Administration of justice, however, is the prerogative of the provinces including imposition of punishment for criminal and civil offenses (Section 92 (14), (15). Growth of lotteries in the 1970's was the direct consequence of federal amendments to the Criminal Code which enabled the federal government and provinces, individually and conjointly, to operate government lotteries, and as well enabling the provinces to licence privately operated lotteries.

7.11 Division of responsibility resulted in differing standards of accountability and public disclosure. Comparison among government lottery corporations are also affected by their status. Like all self-financing Crown Corporations, they report outside the regular budgetary process and use accounting practices more appropriate to their commercial activities. In addition, the veiling effects of the Interprovincial Lottery Corporation further complicates and compromises comparability of results.

7.12 Expenditure of profits also tends to be different than general tax revenue, e.g. held in trust or otherwise earmarked. Special treatment facilitates discretionary application of funds and experimentation with innovative support programs. This also results in significantly different treatment and reporting of revenue and expenditure in different jurisdictions. Direct comparisons can be difficult or misleading.

Financial Reporting

7.13 Government operated lotteries do not use standard commercial or governmental acounting. Rather they use a distinct form of lottery accounting which varies among corporations. This new form of accounting has been under continual modification through the decade. To appreciate the difficulty in comparing results, consider 'profits'. All government operated lotteries are conducted by corporations responsible for administration, marketing, prizes and sales of tickets. In some jurisdictions, tickets are distributed by the corporation itself. In others, tickets are distributed by commercial and/or non-profit distributors who receive commissions 'off-the-top' from ticket sales. In other jurisdictions, non-profit distributors receive a bonus on top of commissions. Bonuses may be paid by the government after receipt of profits, or in other jurisdictions paid by a lottery authority before proceeds are transferred to the government or its designated representative.

7.14 All corporations pay commissions to retailers. Retail commissions are paid 'off-the-top' of ticket sales. In some jurisdictions, however, non-profit retailers receive a bonus on top of commissions. Bonuses may be paid by the government after receipt of profits or in other jurisdictions paid by a lottery authority before proceeds are transferred to the government or its representative.

7.15 In some jurisdictions, the lottery corporation transfers net profits (after deducting prizes and operating expenses) to the general revenue fund of the government. In others, corporations transfer proceeds to a lottery authority which may or may not deduct its own operating expenses before turning profits over to

(b) Accountability (cont'd)

the government or its representative. Thus there are five stages at which deductions from lottery proceeds may be made. Accordingly what constitutes 'net profits' varies between jurisdictions within one regional lottery corporation and among different corporations. Such variation also affects measurement of support to the arts. Commissions and bonuses can be a significant source of support. In some jurisdictions they are the only direct source of lottery funding; in others, profits are also earmarked in support. It is difficult to estimate total support to the arts because commissions are generally not identifiable, except on a case-by-case basis.

Fundamental Factor

7.16 The fundamental factor affecting accountability of government and privately operated lotteries is their phenomenal growth. In a few short years they have become a significant source of public and non-profit finance. Rapid development took place in a very 'laissez-faire' fashion, more in the manner of the 1960's than the 1970's. Proliferation of corporations, games, commissions and disbursement programs has created a confusing patchwork in support to various 'good causes'. This 'helter-skelter' obscures the growing significance and impact of lotteries. Many jurisdictions have not or cannot report aggregate support to various 'good causes'. If scandal and loss of public confidence are the only serious threats to the revenue stability of government and privately operated lotteries then more complete public oversight and disclosure is required.

(c) Use in Support to the Arts

7.17 The importance of lotteries in support to the arts is borne out by history. In 1753 the British Parliament authorized a lottery to finance the first collections of the British Museum. In 1846 the Arts Unions Act of the United Kingdom exempted voluntary arts associations from the general prohibition against lotteries and permitted "distributing by chance works of art". In fact, the arts were the only 'good cause' for which lotteries were legal in Britain between 1846 and 1934.

7.18 While information is scarce, it appears that in the early 19th century lotteries were actively used in Lower Canada to support the arts. It is certain, however, that between 1970-71 and 1979-80 government and privately operated lotteries have become a significant source of funding to the arts. Chart 1 (p. 51) summarizes government and privately operated lottery support to the arts. As noted in para. 7.07, page 50, direct lottery support to the arts in 1981-82 is approximately $73 million current dollars, almost one and a half time the budget of the Canada Council.

7.19 There are at least six ways government operated lotteries can provide support to the arts. These include: (i) general increase in government revenue; (ii) earmarking of lottery funding in support to regular programs; (iii) creation of endowments or reduction of deficits through 'Challenge Grants'; (iv) creation of rebate programs to foster audience development; (v) income from sales commissions and bonuses; and (vi) commissioning of artists and arts organizations for advertising and marketing purposes.

(c) Use in Support to the Arts (cont'd)

General Increase in Government Revenue

7.20 Lotteries were one of a very few dynamic new revenue sources in the 1970's. The resulting increase in government resources can result in increased support to the arts through the regular programs of government departments and agencies. However, this use of lottery funding depends upon the priority of the arts relative to other activities. By the mid-1970's, however, many arts agencies found their priority was not sufficifiently high to ensure increases in support above the rate of inflation.

Earmarking

7.21 The earmarking of lottery funds, either through regular government departments or through 'arms-length' agencies, provides an additional and growing revenue source in support to the arts. This additional revenue can be used to upgrade existing support or undertake new and innovative programs not possible during a period of high government deficits and austerity.

Endowments and Deficit Reduction

7.22 Lottery funds, preferably through 'Challenge Grants', can be used to stimulate private and foundation donations to establish endowments for major arts organizations and/or assist in retiring accumulated deficits. In a period of high inflation endowments cannot be considered 'perpetual' because of the inflationary erosion of principal. They can, however, provide a secure and relatively long-term source of funding. Application of lottery funds towards retirement of accumulated deficits offers immediate short-term relief from bank and interest payments which threatened not just the financial but also the artistic status of many arts organizations. If arts organizations are to have the 'right to fail' then lottery or other supplementary funding must be available as a saftey net for financially responsible but artistically adventurous companies.

Rebates and Audience Development

7.23 During the 1970's most arts agencies focused their support on creation and production of works in the arts as well as development of the individual artist. Audience development tended to be restricted to rather limited arts education efforts through programs such as 'Theatre for Young Audiences'. Lottery funding offers the opportunity for adult audience development through rebate and other innovative programs such as 'Half-Back'. Such programs can encourage segments of the population traditionally beyond the reach of the arts, and thereby foster the 'democratization' of the arts.

Sales Commissions and Bonuses

7.24 Sales commissions and bonuses provide a small but important addition to arts operating revenue in many jurisdictions. Sales of tickets also offer an opportunity to practice and develop solicitation techniques used in subscription sales campaigns. The experience and expertise of lottery corporations, in this regard, can be most helpful. In addition, selling takes the artist and the arts organization to the people, and thereby fosters 'democratization' and reduces the alleged 'elitism' of the arts.

(c) Use in Support to the Arts (cont'd)

Commissioning of Artists and Arts Organizations

7.25 As the largest commercial advertisers in the country, government operated lotteries can offer employment opportunities to individual artists and arts organizations. As revealed in recent surveys of actors, directors and visual artists, advertising is an important source of supplementary income for Canadian artists. In addition, advertising can serve as a profitable mass-market technique for audience development which is not normally available to arts organizations.

(d) Abuse in Support to the Arts

7.26 There are at least five ways lotteries can be abused in support to the arts: (i) displacement of other revenue sources; (ii) the illusion of 'arms-length'; (iii) program proliferation; (iv) dissociation of revenue and expenditure; and (v) rejection of lottery funding.

Displacement of Other Revenue Sources

7.27 Lottery funding can be used by government and other patrons to displace other revenue sources, i.e. what is given with one hand is taken away with the other. There may be little or no net gain in giving up one source of revenue in order to obtain lottery funding. Within the arts, however, there is a tradition of multiple funding which ensures artistic freedom. If displacement can be avoided, then lottery funds should enhance and extend the freedom of artistic organizations. Displacement results from the vagaries of the political process not instability of lottery funding.

The Illusion of 'Arms-Length' Funding

7.28 Lottery funding can be abused if governments attempt to create an illusion of 'arms-length' support. If in fact lottery funding is used to direct or control arts organizations and grant-giving bodies, such an 'illusion' will eventually shatter. Again such an 'illusion' results from the vagaries of the political process rather than any inherent instability or bias in lottery funding itself. If scandal and loss of public confidence are the only serious threats to the revenue stability of government and privately operated lotteries then such 'illusions' must be avoided.

Program Proliferation

7.29 As a new and innovative funding source, lotteries can be abused if they result in a proliferation of support programs, either within existing funding agencies or through the creation of new ones. This can and has caused confusion concerning the 'who, what, when, where and how' of total lottery funding in support to the arts. In most jurisdictions there is no clearly defined system of lottery funding. Lack of co-ordination between lottery and more conventional funding sources can disrupt priorities of arts groups and force them to adjust to the funding priorities of different support agencies or programs rather than pursuing their own artistic objectives.

(d) Abuse in Support to the Arts (cont'd)

Dissociation of Revenue and Expenditure

7.30 The fourth potential abuse can arise through a dissociation of lottery revenue and expenditure. Lottery corporations are essentially money-making machines which generally play little or no part in the expenditure of funds, apart from administration and prizes. Dissociation can lead to a confusion between means and ends. Advertising emphasis on the 'big win' may reduce public awareness and sympathy for the 'good cause'. In the arts, for example, dissociation may reduce advertising opportunities for artists and arts organizations. If the arts are a major beneficiary of lottery funding then linking 'means and ends' could serve to increase ticket sales; provide the arts with increased employment opportunities; and foster audience development through the expensive media advertising of government lottery corporations.

Rejection of Lottery Funding

7.31 The final potential abuse of lottery funding can arise from rejection of this revenue source by 'arms-length' arts agencies. 'Arms-length' agencies are generally committed to professional excellence determined through various systems of peer evaluation. Rejection of lottery funding, the fastest growing source of public and non-profit finance, would compel the arts to rely on more conventional revenue sources. Such sources of public finance have become increasingly strained during the 1970's. Rejection could increase exposure to the vagaries of the political process which, in the 1970's, failed to provide many 'arms-length' arts councils with stable inflation-proof support. Furthermore, rejection generally leads to an ever increasing 'political' presence in the arts as governments place rapidly growing lottery funds at the disposal of ministries of culture whose primary objectives are political, not professional excellence.

LOTTERIES AND THE ARTS

Footnotes

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CHART 2

IMPLICIT PRICE INDEX

Fiscal Year	Calendar Year	I.P.I.
1970-71	1970	94.2
1971-72	1971	100.0
1972-73	1972	107.2
1973-74	1973	116.4
1974-75	1974	135.1
1975-76	1975	156.0
1976-77	1976	176.7
1977-78	1977	193.5
1978-79	1978	209.9
1979-80	1979	228.6
1980-81	1980	254.6

NOTES

Source: National Income & Expenditure Accounts, Statistics Canada, Cat. 13.001

CHART 3

STATISTICAL SYMBOLS

The following statistical symbols are used in the Tables:

Figures not available	..
Figures not appropriate or not applicable	...
Nil or zero	-
Amount too small to be expressed	--

LOTTERIES AND THE ARTS
The Canadian Experience

Appendix A

A CHRONOLOGY OF CANADIAN LOTTERIES
1967 to 1980

INTRODUCTION

This chronology of significant events concerning lotteries in Canada has been developed from two sources. Most of the entries have been adapted from the Canadian News Facts, a bi-weekly compendium of current events as reported in major Canadian newspapers. Additional citations have been summarized from newspaper articles obtained through the Newspaper and Periodical Section of the National Archives.

The chronology serves as a concise record of decision on lotteries in Canada between 1967 and 1980. It begins with the events immediately preceding and leading to the amendment of the Criminal Code in 1969 to allow the running of public and private lotteries.

While information is scarce, it would appear that private and public lotteries operated in New France by the late 17th century. In 1783-84, the British authorities ran a lottery to construct a new prison for the city of Montreal. A decade later Curate Labelle held a lottery for the expansion of French settlement in the colony. In subsequent years there arose in Lower Canada "a whole new spate of lotteries - all claiming to support one or another such worthy cause as the promulgation of Fine Arts and Letters, Maple Syrup, Fatherhood ... ".

During the 18th and 19th centuries there is no evidence that lotteries were used in Upper Canada except for an abortive attempt to finance the Ontario, Simcoe and Huron Union Railway in 1849. During the 1850's lotteries and similar games of chance were banned in British North America by reference to the Gaming Act of Great Britain. After Confederation various statutes, including one in 1892, re-affirmed the illegal status of lotteries. As a result government operated lotteries were not used again until the ill-fated Montreal municipal lottery of 1968. Pressure for legalization was, however, present throughout the 20th century.

Quebec traditionally led the provincial fight for lotteries. Since the mid-1930's the province had legislation to permit lotteries, but was unable to enact it because of prohibitions in the federal Criminal Code. In 1934 the House of Commons defeated, largely on the grounds of moral opposition, a bill aimed at legalizing lotteries. A joint committee of the House and Senate studied the question again in 1954, but recommended against legalization. The Committee concluded that government lotteries would raise little revenue. During the 1960's pro-lottery sentiment gathered strength. In 1963, the Canadian Federation of Mayors and Municipalities passed a motion in support of a Quebec proposal that the federal government hand over control of lotteries for charitable and other purposes to the provinces (15). Parliament debated the question throughout the 1960's, but the Criminal Code was not amended until 1969. Reticence was undoubtably influenced by past controversy and experience in other countries.

A number of motivations were attributed to Parliament's move in 1969 to legalize lotteries. Some spokespersons argued that popular opinion was overwhelmingly in favour of legalization and that much pressure to that end had been applied by private groups and individuals as well as government bodies, particularly in the province of Quebec. In addition there was concern that without legalization money would continue to flow out of Canada to foreign games, such as the Irish Hospital Sweepstakes. Other persons felt that gambling was a natural and inevitable activity, and that the existing law was hypocritical. It was necessary either to turn a blind eye to well meaning groups who violated the Criminal code by running raffles and bingos, or worse still to prosecute those groups. Finally there were those observers, including many critics of lotteries, who believed that legalization represented an effort by government to open up new avenues of revenue during a period of increasing fiscal constraints.

It is interesting to note that while Parliament approved the change in the lottery section of the Criminal Code, it did so only after a lengthy and contentious debate. For some legislators all gambling was a social disease to be avoided at all costs. Others saw government-run lotteries as a form of "regressive taxation" unbefiting institutions which were supposed to set an example for the nation.

1967

March 16. Quebec Considers Lottery Bonds. Quebec's Union Nationale government presented its first budget including a series of higher taxes. Finance Minister Paul Dozois announced that Quebec savings bonds, first issued in 1962, would not be issued in 1967-68. He said the government was studying the possibility of replacing them with lottery bonds similar to those issued in Britain.

August 31. Ontario Committee on Taxation Rejects Lotteries. The Ontario government received the report of the Ontario Committee on Taxation. The report aimed basically at improving the position of the property taxpayer. It warned that Ontario needed more room to increase its revenue in areas it shared with Ottawa and said that if the room was not forthcoming residents could face 12 per cent higher income taxes and a seven per cent sales tax, and the province a deficit of $1 million.

In considering additional ways of raising revenue, however, the committee rejected lotteries and a capital gains tax, urging instead a revision of the inheritence taxes and the introduction of a gift tax.

October 12. Justice Minister Says Lotteries Likely to be Legalized. The federal Justice Minister told the Commons that among amendments to the Criminal Code to be introduced in the fall was one that would, in effect, allow the provinces to operate lotteries.

Under Section 179 of the existing Criminal code lotteries were illegal, and offences punishable by two years in jail.

The subject of lotteries had been discussed at federal-provincial conferences, and Quebec, which generally led the drive for provincial lotteries, had enabling legislation on the books since 1936, although it was never implemented because of the Criminal Code.

British Columbia, Alberta and Saskatchewan were basically opposed to state lotteries but the other provinces had not taken a strong position either way.

December 10. Citizen Presents Petition on Behalf of Lotteries. Mrs. Mary English, a 55-year-old widow who had spent $10,000 campaigning to legalize lotteries in Canada left Ottawa after presenting the federal Justice Department with a petition which she claimed was appended by 300,000 signatures of supporters. She said that 20 foreign countries were then selling sweepstakes tickets in Canada which resulted in an estimated $100 million leaving the country each year.

1967 (cont'd)

December 21. Criminal Code Changes Would Legalize Lotteries. The Commons gave first reading to legislation, introduced by the federal Justice Minister, designed to bring Canada's Criminal code in line with modern social thought.

Among other things the bill proposed that lotteries, at either the federal or provincial levels be permitted. This provision was directed primarily at the provinces which would be able to license religious and charitable organizations to operate lotteries with an annual limit of $10,000 in prizes. Agricultural fairs would be allowed to sell tickets on or off the fair grounds for a prize not exceeding $35,000. According to the Justice Minister the federal government had no plans to initiate a national lottery.

The proposed lotteries section earned favourable comment in Quebec which had been awaiting such a federal enabling law since 1934. The Attorneys-General of Ontario and British Columbia, however, said they were opposed to lotteries. An Anglican Church spokesman criticized lotteries as irresponsible and a United Church figure claimed that they dry up "the springs of charity".

1968

April 2. Montreal to Establish Municipal Lottery. The Mayor of Montreal announced that a municipal lottery would be established to help balance the city's budget. He called it a "voluntary assessment" with players ("voluntary taxpayers") making a $2 donation for tickets with the chance to become one of 151 monthly winners. Top prize would be $100,000 with the first draw scheduled for May 27.

The Mayor said that Montreal would have to spend a record $238,473,992 in 1968, an increase of $32,875,390 over 1967. This increase would have required a 20% increase in municipal taxes without the lottery scheme.

City Council approved the plan on April 9 after the Mayor told councillors that $2 donations were arriving from all over North America.

April 26. Legality of Montreal Lottery Questioned. The Quebec Justice Minister issued a statement describing the Montreal lottery-style voluntary tax scheme as a contravention of the federal Criminal Code and thus illegal. (While the Criminal Code is a federal law, prosecution under the gaming provisions is a provincial responsibility.)

Earlier, on April 26 a United States postal official said in Washington that any American participants in the scheme would face jail terms up to five years and fines up to $5,000 because if the plan started operating in the U.S. it "would fall into the same category as the Irish Hospital Sweepstakes".

Undaunted by mounting attacks on the legality of his city's tax lottery the Mayor of Montreal said he would go ahead with promotion and invited the Quebec government to challenge its legality in court. The scheme was expected to raise $28 million for the city.

September 24. **Montreal Lottery Ruled Illegal.** The Quebec Court of Appeals ruled that Montreal's "voluntary tax scheme" was illegal, on the grounds that it contravened the lottery section of the Criminal Code. The court ruled three to two that no skill was needed to participate, explaining that 99.999% of contributors were eliminated in the draw for 151 names. The other .001% were picked by pure chance. **Montreal said it would appeal the decision to the** Supreme Court of Canada.

Since its inception, four persons had each won the monthly top prize of $100,000 by answering "skill testing" questions, the answers to which were printed on the back of receipts for each $2 contribution. The city had grossed slightly more than $4 million in the first four months of the monthly draw, although officials had hoped to raise $10,400,000 during that period.

In Quebec City a provincial Justice said Montreal could continue to operate the lottery until its appeal was heard by the Supreme Court.

December 3. Montreal Lottery Adds Two Prizes. A city spokesman announced that another $15,000 would go into the kitty for Montreal's voluntary tax draw beginning January 1969 "because the difference in the amount won by the second last name drawn and the final name was too great".

Previously the second last name had won only $1,000 which led many people to complain about the wide gap in winnings. "Now we will offer $165,000 in silver ingots", the spokesman said, "with the tension being split among the three finalists. There will be 153 names drawn with the last three winners eligible for $5,000, $10,000 and finally the $100,000 prize".

December 19. Criminal Code Bill Returned. The Commons gave first reading to **the government's omnibus bill of 91 amendments to the Criminal Code.** A similar bill introduced by the former Justice Minister had died on the order-paper when an election was called.

The new bill contained a number of changes from that tabled December 19, 1967. In addition to the legalization of certain forms of lotteries, as previously proposed, the $10,000 limit on the value of prizes which charitable or religious organizations would be allowed to distribute through lotteries was removed. Limits were to be prescribed by the provinces.

January 7. Moose Jaw Introduces Investment Draw. Inspired by Montreal's voluntary tax lottery Moose Jaw, Saskatchewan, introduced an "invest-and-win" program to raise funds for community, recreational, educational and cultural projects. The Mayor said that the idea was taken from Montreal's lottery but that he hoped it was "closer to being legal".

Under the scheme, certificates were to be purchased from the Moose Jaw Recreational and Cultural Development Society for $2. The entrant would then be eligible for a monthly cash draw, the amount to be determined by the total subscription each month. For the January draw 20,000 certificates were printed.

After 25 years the certificates would be redeemed for $2.50. Of the proceeds, 5% was to be set aside for redemption, 60% of the remainder was to go to the winner, and 40% of the remainder to financing community projects.

May 4. Criminal Code Bill Approved. The Commons gave final approval to the government's omnibus bill to amend the Criminal Code. Among other things the amendments made lotteries for religious and charitable purposes legal and handed responsibility for licensing them to the provinces.

May 12. Sports Lottery Proposed. The report of the federal government's task force on sport was tabled in the Commons by the Health Minister. In calling for a 'new deal' for amateur sport the three member task force recommended that "full consideration be given to every means of financing sport including the matters of a sports tax and a sports lottery".

June 12. Senate Passes Criminal Code Bill. The Senate gave third and final reading to the government's omnibus bill on the Criminal Code. The bill made legal certain charity and government lotteries.

July 23. Montreal Increases Lottery Prize Money. Total prize money in the Montreal lottery tax draw was increased to $200,000 with the addition of a $20,000 runner-up prize.

The increase was the third since the draw was launched in April 1968 when total winnings amounted to $150,000. The city was hoping to remedy decreasing interest in the scheme originally conceived to meet a predicted municipal debt of $28 million. The grand prize remained at $100,000 with runner-up prizes of $20,000, $10,000 and $5,000. The remaining 150 finalists shared prizes of $500 and $250.

August 19. Quebec Lottery Hinted. The provincial Justice Minister said in Quebec City that the Quebec government might set up a provincial lottery.

Changes in the Criminal Code passed by Parliament June 12, 1969, allowed the provinces to establish lotteries.

November 7. Manitoba Centennial Lottery to be Based on Horse-Race. It was announced in Winnipeg that the government sponsored lottery to be held in Manitoba during its centennial year would be based on the running of the Manitoba Derby on July 15, 1970. The lottery was to carry a minimum of $175,000 in prizes.

November 14. Prevost Study Recommends Quebec Set Up Lottery. The fourth report of the provincial Royal Commission on the Administration of Justice in Quebec was released. Established in 1967, the commission was headed by Yves Prevost, a judge of the Quebec Welfare Court. Its latest report dealt with organized crime in the province.

The commission asserted that the Mafia thrived in Quebec, as it did in the United States, because it "sells goods and services to the public which are banned by law but which the public desires". Mafia infiltration of society could be partly halted, it was reported, by legalizing prostitution and gambling. To this end the commission recommended, among other things, that Quebec set up its own lottery, "because Canadian legislation in this area gives underworld interests a quiet and complete monopoly".

December 22. Supreme Court Rules Montreal Lottery Illegal. Montreal's lottery-style draw, announced by the city April 2, 1968, was ruled illegal by the Supreme Court of Canada under the provisions of the Criminal Code. The unanimous decision upheld a 1968 ruling by the Quebec Court of Appeals.

All seven Supreme Court justices agreed with the Quebec court opinion that what the city claimed by advertisements "by necessary implication if not expressly is that the statements printed on the reverse of the official receipt are the answers to the questions which will be asked".

The Quebec court ruled by a 3-2 decision that 'the ability to memorize these simple statments and to repeat them in public can at best be considered as a minimal degree of skill incapable ... of keeping the scheme within the law".

Montreal City Hall immediately issued a statement saying the plan would be discontinued and contributions to the December and subsequent draws returned to senders. The Montreal executive committee chairman admitted that the scheme was already doomed because of the recent Criminal Code amendment which allowed the provincial governments to operate lotteries effective January 1, 1970.

During its first twelve months the Montreal tax lottery attracted $10,611,906 in contributions. The city made a profit of $6,561,906 after using $4,050,000 for advertising and other purposes. Since the first draw Montreal had paid out $3,295,000 in prizes.

The Mayor of Sherbrooke, Quebec, where a similar scheme offering $60,000 in prizes had been initiated in October 1969, stated that December's draw would be the last due to the ruling.

December 23. Quebec Lottery Corporation Set Up. The Quebec Assembly gave third reading to a bill creating the Quebec Corporation for Operating Lotteries and Races. The corporation was charged with issuing licences for the operation of lotteries and other games of chance. Under the law it could operate its own games of chance. The corporation was in line with the federal government's omnibus bill passed earlier that year which gave provinces the responsibility for licensing gambling enterprises, effective January 1, 1970.

According to the Finance Minister the provincial government had established the corporation in order to protect the public from being exploited by private groups. Parish bingo groups would not require licences, he said, as long as they did not contravene the Criminal Code.

The Finance Minister stated that the corporation was, for the most part, based on schemes operating in Israel and Sweden.

1970

January 8. Provinces Make Lottery Rules. Following changes in the Criminal Code and Quebec's establishment of a lottery corporation the other provinces set up new regulations.

The Ontario cabinet decided on January 8 to give the municipalities the **responsibility for licensing lotteries.** They would be permitted to license lotteries for charitable or religious purposes, agricultural fairs and exhibitions, as well as lotteries of private operators providing prizes did not exceed $100 and tickets did not cost more than 50¢. But lotteries to raise municipal or provincial revenue were not to be allowed, except for the construction of hospitals and things of that nature.

British Columbia, Saskatchewan and New Brunswick decided to licence lotteries for religious and charitable organizations only.

The Alberta government was conferring with the state of Nevada before introducing a new policy in the province. In the meantime the police were responsible for licensing lotteries in that province.

Prince Edward Island decided not to change its laws and allowed gambling on harness races only.

No decision on the subject had yet been made by Nova Scotia or Newfoundland.

February 12. Manitoba Announces Lottery Rules. The Attorney-General of Manitoba stated in Winnipeg that the provincial cabinet had approved licensing Manitoba municipalities for the running of lotteries with prizes up to $3,000. Lotteries could be run by charitable and non-profit organizations under the supervision of licensed inspectors. The cabinet also approved the setting up of a provincial board to license lotteries at such events as agricultural fairs and exhibitions.

1971

January 5. Alberta to tax Major Lotteries. The provincial government announced plans to levy a 10% tax on the gross revenue of lotteries in Alberta, including two sweepstakes planned for Calgary and Edmonton. Operators of major lotteries were told by the provincial Attorney-General to calculate the taxation in their 1971 budgets. Legislation to introduce the taxation was expected at the next session of the legislature in February, he said.

The statement was made shortly after exhibition associations in Calgary and Edmonton announced that they would each sponsor a $200,000 sweepstakes that year based on a thoroughbred horse-race. First prize in both sweepstakes was to be $100,000 with tickets at $2.50 each.

April 7. Manitoba Plans Commission to Conduct Lotteries. The Manitoba Speech from the Throne proposed, as expected, that a commission be set up to conduct provincial lotteries.

1973

June 8. Lottery to be Run to Finance Olympics. A bill aimed at raising $260 million for the 1976 Montreal Olympics was introduced in the Commons by the President of the Privy Council. The legislation proposed, among other things, the setting up of an Olympic lottery.

The decision to approve the special financing arrangements was made by the government only after the Quebec Premier, the Mayor of Montreal, and the Games President guaranteed that Ottawa would not be asked to cover any deficit incurred by the Olympics.

1974

May 13. Western Canada Lottery Foundation Incorporated. The Foundation was created to co-ordinate the operation of regional lotteries for the participating provincial governments of Manitoba, Saskatchewan, Alberta, and British Columbia. Under the arrangement the provincial marketing agencies received revenue based on sales in their provinces. With the establishment of the Western Canada Lottery the existing province wide games in Manitoba — run by the Manitoba Lottery Commission — and in Alberta were terminated. The Yukon Territories became a participant in the sales of tickets in 1976.

1975

January 21. Olympic Lottery Expectations Grow. The president of the Olympic Organizing Committee (COJO) told a Quebec Assembly committee hearing into the financing and construction plans for the 1976 Montreal Games that as of January 17 overall revenues of $435 million and expenses of $644 million were expected. This deficit position was due to increased construction and administration estimates and flagging commemorative coin sales expectations. The Olympic lottery, however, was expected to provide revenues of up to $200 million, more than six times the original estimate of $32 million.

January 25. Olympic Lottery to be Extended. The Quebec Premier told the Assembly committee on the 1976 Olympics that it was "almost certain" that the Olympic lottery would be extended to cover an expected $200 million to $300 million deficit. The extension, to cover an unspecified number of years, would apply only in Quebec, he said. Lottery revenues from outside Quebec could be used only for the administrative costs of the Olympic Organizing committee and not for construction costs.

January 30. Ontario Establishes Lottery (Wintario). The provincial Minister of Culture and Recreation announced in Toronto that Ontario was to establish its own lottery which could raise between $40 million and $50 million a year for physical fitness, recreation, and cultural activities.

Legislation was introduced in the Ontario legislature setting up a Crown Corporation to manage the lottery. The corporation was to determine the price of tickets, sales arrangments, size of prizes, and the frequency of draws. Any additional revenue, the minister said, "will be used to enhance even further ... a whole range of activities which will benefit the residents of Ontario".

The first draw was expected in the early summer of that year.

July 17. Criminal Code Amendment Would Allow Interprovincial Sales. The federal Justice Minister introduced in the Commons a package of Criminal Code amendments, one of which would permit the sale of lottery tickets across provincial boundaries.

The bill was given first reading and was to come up for second reading after the summer recess.

1976

January 27. Interprovincial Lottery Sales Approved. The Commons gave final approval to the Criminal Code amendment bill which, among other things, permitted the sale of lottery tickets across provincial borders.

January 27. Extension of Olympic Lottery Sought. A Quebec Liberal introduced a bill in the Commons aimed at continuing the Olympic lottery after the end of 1976.

While there was evidence that most M.P.'s opposed any direct federal support for the games, it was thought that they might approve aid in the lottery form. As a private member's bill, however, it was unlikely to come up for early discussion.

April 28. Lottery Personnel Charged. The Attorney-General of Ontario announced that a former Ontario manager for the Olympic lottery and a former Metropolitan Toronto distributor for Olympic and Wintario lottery tickets had been charged with accepting a secret commission of $110,000 in exchange for appointing certain persons as distributors. The pair were charged following a two month investigation by the Attorney-General's department and the R.C.M.P. Ontario's Consumer and Commercial Relations minister revealed that a check of provincial files showed that more than half of the Olympic lottery distributors in Ontario had apparently never received police clearance, nor had been issued with Ontario government identification cards in contravention of an agreement between the province and the lottery corporation.

Following on the charges the Ontario Minister for Culture and Recreation said that a new distribution system for Wintario tickets was to be established when the Olympic lottery operation in Ontario wound up at the end of August 1976. Since its inception the previous summer Wintario had been using 37 of the 39 Olympic lottery distributors for its sales.

May 10. Ottawa Extends Olympic Lottery (Loto-Canada Established). The federal Treasury Board President announced that the Olympic lottery, due to expire in August after the Games, would be continued until 1979 and possibly beyond. He told the Commons that a Crown Corporation, to be called Loto-Canada, would be set up in September to run the lottery and would turn over 82.5% of net profits to help pay for the Olympic deficit and the 1978 Commonwealth Games in Edmonton. Another 12.8% was to go to the provinces on the basis of ticket sales, and the remaining 5% to the federal government for national sports, fitness and recreation programs. The minister felt that the lottery could raise $300 million for the Olympic deficit.

Although the announcement was received with relief by Quebec, which had been pressing for more federal aid for the Olympics, most other provinces objected to extending the lottery to fund the olympic deficit and complained that it would cut into revenues from provincial lotteries.

The provinces had been negotiating to establish their own national lottery from which the major portion of revenues would be designated for provincial spending on sports, culture, and recreation. Ottawa had also received submissions from amateur sports groups who wanted control of an extended lottery to cover expected reductions in private and government support after the Olympics.

On May 14 the federal Government House Leader told the Commons that the federal plan would be implemented whether or not the provinces agreed. He said that establishment of a national lottery was permitted by the Criminal Code and that provincial approval was not needed.

May 11. Quebec Expects $350 Million from Loto-Canada. In bringing down Quebec's 1976-77 budget the provincial Finance Minister stated that by the end of 1979 Loto-Canada would provide $350 million towards the cost of the Montreal Olympic Games.

June 24. New Brunswick to Join Planned Atlantic Lottery. The second session of the New Brunswick legislature prorogued after M.L.A.'s approved a bill creating a New Brunswick lotteries commission in order to join the three other Maritime provinces in a planned regional lottery.

August 5. Michaud to Reform Loto-Quebec. It was confirmed in Quebec City that Paul-Andre Michaud had been named as director-general of Loto-Quebec and given a mandate to carry out reform of the provincially controlled lottery.

Michaud was a member of the three-man commission which had just completed an extensive study of the administrative practices in Loto-Quebec, as requested by the province in January of that year. The study alleged that wholesale distributors of lottery tickets often received concessions on the basis of their political affiliations and had opportunities to make large profits. It recommended, however, that the controversial system of granting concessions be maintained.

August 9. Atlantic Lottery Formed. Ministers from the four Atlantic provinces signed letters of intent in Halifax which paved the way for creation of an interprovincial lottery in that region to be called the Atlantic Lottery.

The lottery was expected to raise revenues of $45 million annually to be divided among the four provinces on the basis of ticket sales in each province. It was hoped that the lottery, to be headquartered in Moncton, New Brunswick, would be in operation by the beginning of 1977.

According to the New Brunswick Minister of Economic Growth the ministers also discussed the creation of a national provincial lottery. The question of linking up regional lotteries to any national scheme, however, was left to the first ministers' meeting in Alberta later that month.

September 7. Western Provinces Join Ontario in New Provincial Lottery. Manitoba's Health Minister announced that the four western provinces had decided to join Ontario in a new lottery to be called the Provincial. He said that the new lottery would probably mean the demise, at least in Manitoba, of the existing Western Canada Lottery.

The first draw of the Provincial was to be held October 31 in Toronto, but the western provinces were not due to begin participation until November 5, 1976. The lottery would offer five $1 million prizes and five $250,000 prizes, with tickets to sell for $5 apiece. According to the Manitoba minister about six draws a year would be held and could bring a net annual return of about $1 million to various sports and cultural groups in Manitoba alone.

Creation of the five-province lottery was prompted by dissatisfaction with certain features of the new national lottery, Loto-Canada. The provinces objected to the fact that most of Loto-Canada's revenue would go to offest the deficit from the Montreal Olympics and that distribution was to be handled in such a way that community organizations would not benefit.

December 14. Loto-Canada Offical Suspended After Kick-Back Inquiry. The federal Industry Minister told the Commons that a senior Quebec official of Loto-Canada had been suspended after an R.C.M.P. investigation into alleged kick-backs in the government run lottery. The announcement came after an Opposition M.P. alleged that he had seen a letter in which a Loto-Canada official stated that he had received a commission on the sale of burglary and protection devices to lottery distributors and agents.

1977

January 5. Loto-Canada Revenues Short of Hopes. Quebec's new Finance Minister described as "pie in the sky" previous estimates by the former provincial Finance Minister and the federal Treasury Board President that Loto-Canada would raise between $300 million and $350 million to help pay off the Olympic deficit. The comment came after release of figures for the first of 13 planned Loto-Canada draws which suggested that the Olympic fund might not receive more than $185 million by 1979 when the lottery was due to end.

Quebec had asked Ottawa for a federal guarantee of lottery revenues, but the request was refused at the federal-provincial finance ministers' conference held during December 1976.

Loto-Canada officials, however, described the first draw as a "phenomenal success", despite the fact that 1.5 million tickets went unsold, and expressed optimism that the 7.5 million sales target per draw would be reached in the future.

March 7. Part of Loto-Canada May Go to Arts. A spokesman for Les Grands Ballet Canadiens said that the federal government had promised to consider designating some of the proceeds from Loto-Canada to support the arts.

The director of Les Grands Ballets Canadiens had proposed in a telegram to the Prime Minister and the Secretary of State that 5% of the lottery revenues be given to professional arts groups in the form of grants. The funds would be in addition, not an alternative to, the grants already given to arts companies by the Canada Council. If the proposal were implemented, about $3 million a year would be available to arts groups. It was suggested that two-thirds be given to established groups and one-third to funding new groups. At that time 5% of Loto-Canada money went to support amateur sports, and arts organizations believed that they should have an equal share.

In his reply the Secretary of State said that he agreed that cultural agencies needed more financial support and was considering the lottery plan.

July 21. Provincial May be Expanded. Provincial ministers responsible for lotteries met in Ottawa to discuss the possibility of expanding the Provincial, a million dollar lottery operated by Ontario and the four western provinces.

Quebec's Finance Minister said that his province would be willing to join if it received guarantees of $300 million in revenue. Because of the 'poor' performance of Loto-Canada, Quebec was concerned that it would not get the $300 million it expected from that lottery by the end of 1979. Loto-Canada had been unable to reach sales projections because of competition from the Provincial. Tickets for the Provincial cost $5 while those for Loto-Canada cost $10.

Ontario's Minister of Culture and Recreation said that if Quebec wanted to join it would have to do so on the same basis as the original partners and receive revenue based on ticket sales in the home province.

The ministers agreed to prepare discussion papers on the subject and meet with federal authorities possibly at the end of September.

August 25. **Provincial to be Monthly.** The president of the Interprovincial Lottery Corporation said in Toronto that the Provincial lottery, previously held every two months would be held monthly starting with the September 30 draw. In addition each ticket was to be eligible for two consecutive draws. Each draw would have five grand prizes - three for $1 million each, and two for $100,000 each. There were also to be prizes for ticket holders having consecutive digits in the five winning numbers.

September 30. Cash for Life Lottery Unveiled. Officials of the Ontario Association for the Mentally Retarded announced that their organization planned to begin operating the province's fourth largest lottery in late November. The lottery idea had been on the drawing board since February, 1977, and was approved in mid-August by the Minister of Consumer and Commercial Relations.

The lottery was to follow Loto-Canada, the Provincial and Wintario in the size of its winnings, but the prize structure differed. Prizes to be distributed January 27, 1978, would consist of one "big draw" worth $1,000 a month for life to the winner (guaranteed for 20 years in the event of death) and two other prizes of $500 a month and $200 a month for life. It was hoped that the lottery could eventually be held several times a year.

Another $100,000 in prize money was to be distributed in 10 "early-bird draws" held consecutively in the ten weeks prior to the big draw.

Tickets for the first draw would cost $2 apiece and were to be sold through the 122 local associations for the mentally retarded across the country. Local association would receive 50 cents in commission for every $2 ticket they sold.

October 11. Losing Wintario Tickets to Buy Books. Ontario's Minister of Culture and Recreation announced in Toronto a three-month program in which losing Wintario tickets could be used as discount coupons on the purchase of Canadian books and magazines.

Starting in January 1978, the program would allow consumers to use losing tickets as 50-cent coupons for the purchase of books written by Canadians or subscriptions to Canadian magazines. Up to four tickets totalling $2 could be used on any single purchase. The minister expected that the program would cost between $1 million and $2 million.

1978

January 4. Loto-Canada Increases Draws. Loto-Canada officials announced plans in Ottawa to increase the frequency of the lottery and to make each ticket eligible for two different draws.

Draws were to be held every two months instead of the existing four draws a year. There would also be intermediate draws in the months between the major draws. The major draws would retain the prize structure of twelve $1 million prizes and eight $100,000 prizes. Intermediate draws after April 1978 were to have prizes totalling more than $500,000.

July 6. Provinces Criticize Loto-Canada. Federal and provincial finance ministers wound up a one-day conference in Winnipeg split over Ottawa's plan to extend its lottery program.

The federal Finance Minister indicated that Ottawa was unlikely to back down on its intention to continue Loto-Canada after the federal-provincial authorizing agreement expired in 1979. Several provinces had protested the program claiming that it intruded into provincial jurisdiction by competing with provincial lotteries.

On July 4 a spokesman for the British Columbia branch of the Western Canada Lottery Foundation had ordered its distributors not to handle Loto-Canada tickets as a protest against Ottawa's intentions. Two days later the director of the Ontario Lottery Corporation said Ontario was considering the same type of action.

July 10. Loto-Canada Plans Computer Game (Loto-Select). Loto-Canada awarded a contract to a Canadian communications firm with the intention of establishing the country's first computerized lottery by the fall of that year.

The federal Sports Minister said that Ottawa wanted to be first with a pick-your-own-numbers game, ahead of Ontario and Quebec which planned such games for early in 1979.

With the new system players were to pick their own numbers. Ticket vendors with a terminal hookup to Loto-Canada's computer centres in Montreal, Toronto and Vancouver would be able to acknowledge the customer's choice and issue a receipt within minutes.

About 350 terminals were planned for the first draw in November. More than 2,000 such locations were to be available by mid-1979.

In addition to the weekly computer games, Loto-Canada was to continue its $10 ticket lottery for million dollar prizes. Tickets for the weekly games were to cost $1 with prizes up to $500,000.

July 27. Loto-Quebec Plans to Join Provincial. The president of the Interprovincial Lottery Corporation said in Montreal that Loto-Quebec was negotiating with Ontario and the four western provinces to join the Provincial lottery.

The Provincial would replace Loto-Quebec's Super-Loto. A Loto-Quebec spokesman said that if Quebec joined, the public would have chances of winning more and bigger prizes. Tickets for both lotteries cost $5 apiece but the Provincial offered six grand prizes of $1 million each while Super-Loto offered a grand prize of only $500,000. He did not think that sales of other Loto-Quebec lotteries, such as the Mini-Loto, which appealed to a different type of customer would be affected.

The merger would place the interprovincial in a better competitive position with Loto-Canada, according to the Quebec spokesman, and the revenues for the Quebec government and other participating provinces would increase.

October 6. Federal-Provincial Lottery Agreement Reached. Ottawa announced that the federal and provincial governments had reached an agreement to end the lengthy battle over the control of lotteries, with both sides having made concessions.

The federal Sports Minister told a news conference that Ottawa had agreed to be involved only in lotteries whose tickets cost $10 or more. The provinces would run lotteries with tickets costing $9 or less.

Ottawa also agreed to drop its planned Loto-Select, a $1-a-ticket game for which Loto-Canada had already ordered computers from the United States.

The major provincial concession was 'allowing' the federal government to remain in the lottery business after demanding earlier that Ottawa leave the field entirely to the provinces when Loto-Canada's mandate expired December 31, 1979.

December 19. Provincial Goes Canada-Wide. Officials of the Atlantic Lottery Corporation said in Fredericton that the national lottery run by the provinces would be extended in January 1979 to include the four Atlantic provinces.

The new lottery, to be known as the Provincial-Super Loto, would cover all ten provinces. It was to offer five $1 million first prizes with tickets selling for $5 apiece. The first draw was slated for Janaury 28, 1979.

1979

February 16. Federal Bill Would Redirect Lottery Benefits. The federal Sports Minister unveiled plans at a news conference to split at least $48 million in annual Loto-Canada profits between amateur sports and cultural programs.

A bill introduced in the Commons would allow the government to spend the remainder of the anticipated $80 million-a-year profits from the lottery on research into sports and culture in addition to unspecified projects.

The bill was to replace existing distribution arrangements for Loto-Canada which were due to expire at the end of 1979.

This was to be the first time Loto-Canada money was used for the arts and cultural activities. That part of the program would be administered through the Secretary of State. **The new lottery funds were intended to enhance, not** replace, existing arts and culture funding.

The Sports Minister said that lotteries were becoming a big business for governments with the total Canadian market estimated at $900 million in gross revenues every year. About $200 million of that sum went to Loto-Canada. After prize money, administration, and advertising costs were paid the federal government was left with $80 million to $100 million annual profits. Of that amount at least 30% would go to amateur sports and at least 30% to culture under the terms of the bill.

February 21. Aborted Federal Lottery to Cost $13 Million. The federal Sports Minister told the Commons that it would cost $13.1 million to cancel contracts for the computer-based Loto-Select which Ottawa agreed to abandon in 1978 in the face of strong objections from the provinces.

According to the Minister, Ontario and Quebec were to pay $5 million of the cost between them and the federal government would pay the rest. **The** provinces had promised to compensate Ottawa for costs incurred in starting up the abortive lottery in return for Ottawa's agreement to vacate the under $10-a-ticket lottery field.

April 16. P.C.'s Would End Federal Participation. The leader of the Progressive Conservative party told an election rally in Spruce Grove, Alberta, that a P.C. government would get out of the multi-million dollar lottery business if the provinces agreed to assume some financial responsibility for national amateur sport.

The P.C. leader said that if elected May 22 his government would end Loto-Canada as of March 31, 1980, and give the entire jurisdiction over lotteries to the provinces. But he said the provinces would first have to agree to devote a certain, as then undetermined, percentage of the net proceeds of their lotteries to a national fund to promote amateur sport and other "agreed purposes". The federal government would contribute to the fund so that the level of federal spending on amateur sport - about $37 million in 1979 - would be maintained and continue to grow as necessary.

August 21. Loto-Canada Goes to the Provinces. Federal and provincial lottery ministers announced in Ottawa that they had reached agreement on a provincial takeover of Loto-Canada, but refused to give any details on how it would be worked out.

The Minister of Federal-Provincial Relations reiterated the government's belief that lotteries should only be run by the provinces, and its intention to get rid of Loto-Canada. He said that a few points remained to be worked out in the proposal for handing over the $250 million-a-year national lottery to the provinces. The agreement spelling out how much the provinces would have to pay Ottawa for getting out of the lottery business still had to be approved by the federal and provincial cabinets.

Ontario"s Recreation and Culture Minister indicated that the federal government had backed down from its demand for 6% of annual profits from provincial lotteries. He said that once Ottawa had gotten out of the lottery field, the provinces would continue the $10-a-ticket lottery run by Loto-Canada, but with a new name.

The federal Sports Minister said that as part of the deal the provinces would continue to support amateur sports which had been financed by Loto-Canada. Ottawa asked the provinces to pay the $18 million promised by the former Liberal government to expand hockey arenas in Edmonton, Winnipeg and Quebec City.

September 4. Ontario Ratifies Loto-Canada Move. The Ontario cabinet ratified the federal-provincial agreement that required Ottawa to get out of the lottery business in exchange for payment by the provinces.

Ontario's Minister of Culture and Recreation announced in Toronto that under the terms of the agreement on Loto-Canada the federal government would stop selling lottery tickets December 31, 1979. In return the provinces would pay $24 million to the federal government. According to the minister, Ottawa originally wanted $60 million for winding up Loto-Canada.

The provinces, through the Interprovincial Lottery Corporation, would set up a new national lottery based on Loto-Canada. Although the details had not been worked out, Ontario expected to obtain about $20 million a year from the new lottery. The Minister of Culture and Recreation said that the new lottery would help provide funds needed by the Royal Ontario Museum to complete its $45 million expansion and renovation program.

Under the new agreement the provinces of Alberta, Manitoba and Quebec were to pay the federal government's share of the cost of renovating and expanding National Hockey League rinks in Edmonton, Winnipeg and Quebec City.

September 10. PM Claims Renewed Federalism In Handing Over Lotteries. The Prime Minister said his government had done more to breathe new flexibility into federalism in the previous two months than his predecessor had done in two years in office. He cited the new government's move to cede Loto-Canada to the provinces as evidence of his claim.

1980

February 7. Ontario Unveils Arts Challenge Fund. The Ontario government unveiled a plan to give large arts organizations an extra $5 million in Wintario grants over the next five years if they can boost their private donations.

Under the Arts Challenge Fund program only groups with annual operating budgets of $250,000 or more are eligible. The government would match $2 for every $1 that a group could raise above its current level.

The Wintario grant money was to go into an investment fund for the arts. Eligible groups could use the interest immediately, but would have to wait a few years before liquidating the investment fund. Arts groups and the government would decide when to liquidate the fund.

In announcing the plan the Culture and Recreation Minister noted that major arts groups had not been able to broaden their circle of corporate and private supporters but that the new program should help. "Greater self-sufficiency -not dependence on the government - is the bottom line", he said. As part of the program, any extra money raised through private donations would first have to be used to pay off a group's deficit.

The minister said that a program to help smaller arts groups would be announced later that year.

May 1. Cash For Life Becomes Million Dollar Lottery. It was reported that the existing Cash For Life Lottery would be replaced by a new Ontario lottery beginning October 1980. At $2-a-ticket and offering a $1 million top prize it would be the biggest non-government lottery in North America.

Four province-wide charitable groups joined forces to run the new monthly game, called "Cash For Life, the Million Dollar Lottery" in the hope of raising $13.5 million a year. First prize would be $50,000 a year for 20 years, second prize $1,000 a month for life, and third prize a luxury car. There would also be nearly half a million lesser prizes each month.

The existing Cash for Life draw, run by the Ontario Association for the Mentally Retarded (OAMR), began in 1977 and since then had raised about $7 million for work among the retarded. Along with the OAMR, the Kedney Foundation of Canada, the Ontario Society for Crippled Children and the Multiple Sclerosis Society of Canada formed the Ontario Charitable Lottery Group to run the new game. It received permission from the government to sell 1.8 million tickets a year.

May 26. Federal Government Seeks New Lottery Money. The federal Sports Minister told the Commons that he had begun discussing with the provinces a proposal that would turn back to Ottawa some of the money raised by lotteries.

The Minister said that he had no intention of breaking the existing agreement with the provinces made by the former Conservative government, but that he turned the lottery business over to the provinces in return for guarantees that they would devote funds to amateur sport).

Outside the Commons the Sports Minister maintained that the existing federal-provincial agreement was "in letter only" and was never formalized by order in council. He said that he was seeking legal opinions on the status of the agreement.

At the same time the minister revealed that he had already begun informal talks with Alberta, New Brunswick and Nova Scotia officials to determine their views on re-negotiation. He also said that he had received a request from the Calgary Olympic Development Association, which was bidding for the 1988 winter Olympics, for the federal government to "return to the lottery field".

July 3. Federal Savings Bond Lottery Denied. The Sports Minister denied reports that the federal government was considering getting back into the lottery business with Canada Savings Bonds that offer instant cash prizes.

According to the minister, when the former Conservative government handed Loto Canada over to the provinces, the agency reviewed other federal options for lotteries, and that savings bond idea was just one of several.

He noted that the present federal government had to meet with the provinces to determine their interpretation of the deal with the former Conservative government before Ottawa could actively consider any new types of federal lotteries.

Under the savings-lottery scheme investors would forge interest on money loaned to the government in return for chances to win large cash prizes. Prize money would be paid from interest saved by the government on its borrowings.

REPORT ON THE STATEMENTS OF OPERATIONS OF GOVERNMENT OPERATED LOTTERIES

INTRODUCTION

At the request of the Research & Evaluation Group of the Canada Council the attached tables have been prepared for lotteries operated in Canada between 1970-71 and 1979-80 by Government Agencies, hereinafter referred to as 'Government Operated Lotteries'. Only one lottery i.e. Loto-Québec operated during the complete ten-year period. The remaining lotteries commenced their operations on the dates shown in Table 8. The Olympic Lottery and Loto Canada terminated their activities on the dates shown in the same table.

The tables have been prepared in modified form from the audited financial statements found in the annual reports of the various lottery organizations. Figures appearing in the financial statements were arranged under standard display categories developed to facilitate comparison and aggregation. Wherever possible, the most recent statement available for a given year has been used. The Implicit Price Index (I.P.I.) used for conversions to constant 1971 dollars is shown in Table 10. Statistical symbols used in the tables are identified in Table 11.

Because of the lack of consistency in reporting formats between the lottery corporations as well as between years for a given corporation, some adjustments in the figures appearing in the financial statements have proved necessary. These changes do not affect the final results. The tables should be read in conjunction with the attached notes. No attempt has been made to duplicate the detailed notes to the financial statements which can be found in the annual reports of the lottery corporations. Instead the table notes point out any significant adjustments which have been made, the fiscal years involved, and the composition of unusual items such as non-operating expenses.

The following brief descriptions of the items displayed in the tables will be useful:

A. Ticket Sales

This item represents the gross value of tickets sold, before deducting Commissions & Discounts.

B. Commissions and Discounts

Payments to the sales organizations represent an integral and substantial cost of the operations of a lottery and are therefore shown separately immediately after Ticket Sales. Payments to distributors and retailers, including commissions, discounts, remunerations to wholesalers, and bonus prizes are shown under this item. (One notable exception is distributor commissions paid to non-profit groups by the Western Canada Lottery. Table 7, Note 8.)

C. Net Ticket Sales

This amount is the difference between the Ticket Sales (A) and the Commissions & Discounts (B).

D. Prizes

The amounts shown here are in respect of prizes claimed and distributed. The item 'Cost of Tickets Bought' shown in a number of statements has been included under prizes. This item refers to the cost of tickets purchased from the Interprovincial Lottery Corporation and the now defunct Olympic Lottery. A large portion of this purchase price is returned in prizes.

E. Gross Operating Revenue

These figures are arrived at after deducting from Sales:

1. Commissions and Discounts (B)
2. Prizes (D)

F. Expenses

Costs of administration, sales promotion, advertising, and printing of tickets are included under this heading.

G. Net Operating Revenue

This figure represents the difference between Gross Operating Revenue (E) and Expenses (F).

H. Other Revenue

Items included in this category are interest on short-term investments represented by cash surplus generated between the date of sales of tickets and the date of the distribution of prizes. Other income not directly related to the operation of lotteries, the details of which are explained in the notes to the respective tables, are also included.

I. Non-Operating Expenses

These expenses, sometimes referred to as extraordinary expenses, cover a number of items. In the case of lotteries they are substantial, and are shown in detail in the notes to the respective tables. They include start-up expenses of a new lottery (e.g. Lottario), cancellation costs of a lottery which was not activated (e.g. Loto Select), as well as payments to the federal government under the terms of the 1979 federal-provincial lottery agreement.

J. Net Profit

After all costs, expenses and prizes have been deducted from sales and other revenue, the balance constitutes the Net Profit.

Table 1(a)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS
(1)

	1970-71 (2)	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (3)	1977-78	1978-79	1979-80
	- Thousands of Current Dollars -									
TICKET SALES	51,436	71,203	97,164	125,310	309,911	433,038	720,320	783,206	911,578	974,100
Olympic Lottery	...	...	...	...	155,445	179,905	128,156	...	...	...
Loto Canada	...	...	...	...	...	...	107,182	225,314	258,907	134,226
Federal	...	...	...	...	155,445	179,905	235,338	225,314	258,907	134,226
Atlantic Lottery	...	...	...	...	...	...	11,574	40,602	43,617	41,096
Loto-Quebec	51,436	71,203	97,164	125,310	132,182	167,892	183,393	202,879	244,172	318,686
Ontario Lottery Corp.	...	...	...	...	...	97,137	218,792	240,431	235,106	323,787
Western Canada Lottery	...	...	...	...	22,282	30,109	71,277	74,038	129,826	156,305
Provincial	51,436	71,203	97,164	125,310	154,466	275,133	484,982	557,996	652,671	839,874
COMMISSIONS & DISCOUNTS	7,735	10,708	14,086	17,718	22,124	37,438	66,836	82,026	84,990	95,301
Olympic Lottery	...	...	...	...	-	-	-	...	...	...
Loto Canada	...	...	...	...	...	...	9,988	22,511	23,824	18,376
Federal	...	...	...	...	-	-	9,988	22,511	23,824	18,376
Atlantic Lottery	...	...	...	...	...	...	579	2,030	2,181	2,225
Loto-Quebec	7,735	10,708	14,086	17,718	19,417	21,228	23,234	24,259	20,669	26,752
Ontario Lottery Corp.	...	...	...	...	...	12,528	22,552	24,187	22,481	28,293
Western Canada Lottery	...	...	...	...	2,707	3,682	8,683	9,039	13,835	19,630
Provincial	7,735	10,708	14,086	17,718	22,124	37,438	56,868	59,513	61,166	76,925
Net Ticket Sales	43,701	60,495	83,078	107,792	287,787	417,600	653,464	701,179	826,588	878,800
Olympic Lottery	...	...	...	...	155,445	179,905	128,156	...	...	...
Loto Canada	...	...	...	...	...	...	97,194	202,703	235,083	115,850
Federal	...	...	...	...	155,445	179,905	225,350	202,703	235,083	115,850
Atlantic Lottery	...	...	...	...	...	...	10,995	38,572	41,436	38,871
Loto-Quebec	43,701	60,495	83,078	107,792	112,768	126,664	138,089	178,640	223,433	291,929
Ontario Lottery Corp.	...	...	...	...	...	84,609	196,440	216,243	212,625	295,493
Western Canada Lottery	...	...	...	...	19,373	26,427	62,390	63,019	113,991	136,655
Provincial	43,701	60,495	83,078	107,792	132,343	237,695	428,114	498,476	591,503	762,950
PRIZES	15,370	24,701	37,286	49,795	113,647	184,294	321,008	356,876	443,798	483,317
Olympic Lottery	...	...	...	...	59,134	72,844	53,764	...	...	...
Loto Canada	...	...	...	...	...	...	58,806	106,337	123,099	60,009
Federal	...	...	...	...	59,134	72,844	112,572	106,337	123,099	60,009
Atlantic Lottery	...	...	...	...	...	...	9,766	19,766	20,950	22,408
Loto-Quebec	15,370	24,701	37,286	49,795	50,264	98,642	75,981	89,328	110,376	140,018
Ontario Lottery Corp.	...	...	...	...	...	36,095	94,942	107,517	123,836	182,734
Western Canada Lottery	...	...	...	...	4,249	16,713	53,747	53,730	65,487	74,148
Provincial	15,370	24,701	37,286	49,795	54,513	111,450	208,436	250,339	320,699	423,308
Gross Operating Revenue	28,330	35,795	45,791	57,997	174,140	233,306	332,455	344,303	382,789	395,484
Olympic Lottery	...	...	...	...	96,311	107,061	74,390	...	...	...
Loto Canada	...	...	...	...	...	...	38,388	96,367	111,983	55,841
Federal	...	...	...	...	96,311	107,061	112,778	96,367	111,983	55,841
Atlantic Lottery	...	...	...	...	...	...	7,229	18,807	20,486	16,463
Loto-Quebec	28,330	35,795	45,791	57,997	62,504	68,022	82,108	89,312	113,077	187,911
Ontario Lottery Corp.	...	...	...	...	...	48,519	100,497	108,728	88,739	112,762
Western Canada Lottery	...	...	...	...	15,326	9,709	28,843	31,289	48,304	67,307
Provincial	28,330	35,795	45,791	57,997	77,830	126,245	219,677	248,136	270,806	339,643

- figures may not add due to rounding -

Table 1(a)
(cont'd)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Thousands of Current Dollars -									
EXPENSES	8,041	9,988	8,322	10,298	27,111	33,441	55,177	84,104	100,730	112,237
Olympic Lottery	---	---	---	---	11,064	10,887	7,933	---	---	---
Loto Canada	---	---	---	---	---	---	24,007	23,850	40,694	23,420
Federal	---	---	---	---	11,064	10,887	31,940	23,850	40,694	23,420
Atlantic Lottery	---	---	---	---	---	---	1,028	4,686	5,286	6,159
Loto-Quebec	8,041	9,988	8,322	10,298	11,703	11,157	13,722	14,859	27,293	40,810
Ontario Lottery Corp.	---	---	---	---	---	5,859	10,678	11,223	14,490	20,675
Western Canada Lottery	---	---	---	---	4,344	3,428	6,789	6,498	12,983	20,077
Provincial	8,041	9,988	8,322	10,298	16,047	22,526	31,217	38,256	60,036	87,117
Net Operating Revenue	24,291	30,808	37,270	47,699	147,029	199,895	277,279	280,196	282,041	282,943
Olympic Lottery	---	---	---	---	85,267	96,176	48,447	---	---	---
Loto Canada	---	---	---	---	---	---	24,361	70,316	71,290	30,420
Federal	---	---	---	---	85,267	96,176	80,818	70,316	71,290	30,420
Atlantic Lottery	---	---	---	---	---	---	1,301	14,121	15,201	10,310
Loto-Quebec	24,291	30,808	37,270	47,699	90,800	54,883	68,387	79,433	85,782	107,101
Ontario Lottery Corp.	---	---	---	---	---	62,555	80,819	98,365	94,249	92,687
Western Canada Lottery	---	---	---	---	16,964	6,281	22,034	29,801	15,119	42,427
Provincial	24,291	30,808	37,270	47,699	61,762	105,721	96,441	209,880	210,751	232,523
OTHER REVENUE	227	65	91	176	5,383	6,850	10,950	8,173	10,265	14,178
Olympic Lottery	---	---	---	---	4,769	4,436	2,658	---	---	---
Loto Canada	---	---	---	---	---	---	5,895	5,999	4,984	3,327
Federal	---	---	---	---	4,769	4,436	8,553	5,999	4,984	3,327
Atlantic Lottery	---	---	---	---	---	---	45	249	922	1,069
Loto-Quebec	227	65	91	176	614	426	1,441	1,139	600	11,038
Ontario Lottery Corp.	---	---	---	---	---	760	1,981	1,880	2,481	4,250
Western Canada Lottery	---	---	---	---	614	1,148	510	908	1,694	4,370
Provincial	227	65	91	176	614	2,394	4,397	4,176	3,301	8,631
NON-OPERATING EXPENSES	-	-	-	-	-	-	1,300	3,255	28,181	540
Olympic Lottery	---	---	---	---	-	-	1,300	---	---	---
Loto Canada	---	---	---	---	---	---	-	-	13,782	(10,276)
Federal	---	---	---	---	-	-	1,300	-	13,782	(10,276)
Atlantic Lottery	---	---	---	---	---	---	-	-	-	663
Loto-Quebec	-	-	-	-	-	-	-	2,253	231	4,368
Ontario Lottery Corp.	---	---	---	---	---	-	-	-	14,117	4,097
Western Canada Lottery	---	---	---	---	-	-	-	-	-	1,817
Provincial	-	-	-	-	-	-	-	2,253	14,348	10,936
Net Profit	24,518	30,873	37,361	47,875	152,612	206,745	286,931	284,119	264,177	296,563
Olympic Lottery	---	---	---	---	90,036	100,630	47,795	---	---	---
Loto Canada	---	---	---	---	---	---	24,277	74,315	62,472	44,323
Federal	---	---	---	---	90,036	100,630	94,072	74,315	62,472	44,323
Atlantic Lottery	---	---	---	---	---	---	5,247	14,371	13,723	10,916
Loto-Quebec	24,518	30,873	37,361	47,875	51,129	55,371	70,044	75,339	84,151	101,693
Ontario Lottery Corp.	---	---	---	---	---	62,315	92,800	98,385	62,613	92,843
Western Canada Lottery	---	---	---	---	11,473	7,429	22,764	23,709	37,218	44,289
Provincial	24,518	30,873	37,361	47,875	62,598	106,115	190,859	211,804	201,705	250,240

- Figures may not add due to rounding -

Table (3a)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS
(1)

	1970-71 (2)	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (3)	1977-78	1978-79	1979-80
	- Thousands of Constant 1971 Dollars -									
TICKET SALES	54,603	71,203	90,638	107,826	229,399	291,691	407,631	406,757	434,292	426,112
Olympic Lottery	...	...	...	...	113,039	113,334	72,327	...	...	...
Loto Canada	...	...	...	...	...	...	60,638	116,390	123,348	98,717
Federal	...	...	...	...	113,999	113,334	133,165	116,390	123,348	98,717
Atlantic Lottery	...	...	...	...	...	...	6,550	20,983	20,730	17,971
Loto-Quebec	54,603	71,203	90,638	107,826	97,342	94,803	103,379	104,837	116,304	139,008
Ontario Lottery Corp.	...	...	...	...	...	62,268	123,821	134,254	142,009	141,639
Western Canada Lottery	...	...	...	...	16,493	19,287	40,376	38,273	41,851	68,375
Provincial	54,603	71,203	90,638	107,826	116,335	176,360	274,466	288,367	310,994	367,399
COMMISSIONS & DISCOUNTS	8,211	10,708	13,140	13,221	16,976	33,999	57,836	42,594	40,495	41,684
Olympic Lottery	...	...	...	...	...	...	...	...	...	...
Loto Canada	...	...	...	...	...	...	5,655	11,634	11,350	8,038
Federal	...	...	...	...	...	...	5,655	11,634	11,350	8,038
Atlantic Lottery	...	...	...	...	...	...	828	1,069	1,039	873
Loto-Quebec	8,211	10,708	13,140	13,221	14,372	13,608	14,292	12,532	8,847	11,201
Ontario Lottery Corp.	...	...	...	...	...	8,031	12,630	12,300	10,710	12,377
Western Canada Lottery	...	...	...	...	2,604	2,360	5,919	5,871	7,358	8,596
Provincial	8,211	10,708	13,140	13,221	16,976	23,999	32,183	30,957	29,141	33,650
Net Ticket Sales	46,392	60,495	77,498	92,605	213,018	267,692	369,816	362,366	393,801	384,427
Olympic Lottery	...	...	...	...	113,039	113,334	72,327	...	...	...
Loto Canada	...	...	...	...	...	...	55,003	105,236	111,998	90,678
Federal	...	...	...	...	113,039	113,334	127,333	105,236	111,998	90,678
Atlantic Lottery	...	...	...	...	...	...	6,222	19,934	19,761	17,004
Loto-Quebec	46,392	60,495	77,498	92,605	82,970	81,195	89,447	92,320	108,457	127,703
Ontario Lottery Corp.	...	...	...	...	...	54,237	111,191	121,954	131,298	129,263
Western Canada Lottery	...	...	...	...	14,489	16,927	33,622	33,602	38,367	59,779
Provincial	46,392	60,495	77,498	92,605	97,959	152,359	240,283	257,610	281,882	333,769
PRIZES	16,316	29,701	34,782	42,779	86,121	118,137	181,668	184,610	211,658	211,629
Olympic Lottery	...	...	...	...	43,771	46,695	30,428	...	...	...
Loto Canada	...	...	...	...	...	...	35,289	55,058	58,648	26,251
Federal	...	...	...	...	43,771	46,695	65,708	55,058	58,648	26,251
Atlantic Lottery	...	...	...	...	...	...	2,131	10,214	9,981	8,802
Loto-Quebec	16,316	29,701	34,782	42,779	37,203	37,391	43,000	46,164	52,389	63,000
Ontario Lottery Corp.	...	...	...	...	...	25,158	53,731	55,364	59,021	79,936
Western Canada Lottery	...	...	...	...	5,145	10,713	18,098	17,432	31,139	32,436
Provincial	16,316	29,701	34,782	42,779	86,550	71,462	115,960	129,574	152,531	183,174
Gross Operating Revenue	30,076	31,795	42,715	49,826	126,898	149,555	188,147	177,934	182,167	173,003
Olympic Lottery	...	...	...	...	71,268	66,639	42,100	...	...	...
Loto Canada	...	...	...	...	...	...	21,722	49,699	53,351	64,427
Federal	...	...	...	...	71,268	66,639	63,822	49,699	53,351	64,427
Atlantic Lottery	...	...	...	...	...	...	4,091	9,719	9,780	7,202
Loto-Quebec	30,076	31,795	42,715	49,826	46,263	43,604	46,067	46,156	53,872	64,703
Ontario Lottery Corp.	...	...	...	...	...	31,099	37,990	36,190	42,277	49,327
Western Canada Lottery	...	...	...	...	11,366	6,224	14,323	16,170	23,108	27,343
Provincial	30,076	31,795	42,715	49,826	57,629	80,926	124,322	128,236	129,017	148,575

- figures may not add due to rounding -

Table 1(b)
(cont'd)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Thousands of Constant 1971 Dollars -									
EXPENSES	4,290	4,986	7,950	8,847	20,067	21,617	31,228	33,130	47,999	49,229
Olympic Lottery	...	...	...	...	8,189	6,979	6,501	...	...	...
Loto Canada	...	...	...	...	...	...	7,927	13,359	19,387	11,120
Federal	...	...	...	...	8,189	6,979	12,428	13,359	19,387	11,120
Atlantic Lottery	...	...	...	...	...	...	1,148	2,422	2,518	2,692
Loto-Quebec	4,290	4,986	7,950	8,847	8,663	8,421	7,766	7,679	13,004	17,832
Ontario Lottery Corp.	...	...	...	...	...	3,820	6,043	6,317	6,903	8,782
Western Canada Lottery	...	...	...	...	3,215	2,197	3,842	3,353	6,186	8,783
Provincial	4,290	4,986	7,950	8,847	11,879	14,438	18,799	19,771	28,612	38,109
Net Operating Revenue	25,787	30,808	34,767	40,978	108,830	128,138	156,921	144,804	134,369	123,773
Olympic Lottery	...	...	...	...	63,099	61,650	37,399	...	...	...
Loto Canada	...	...	...	...	...	...	13,798	36,246	33,964	13,307
Federal	...	...	...	...	63,099	61,650	51,397	36,246	33,964	13,307
Atlantic Lottery	...	...	...	...	...	...	2,943	7,298	7,243	6,310
Loto-Quebec	25,787	30,808	34,767	40,978	37,602	35,185	38,702	38,477	40,868	46,851
Ontario Lottery Corp.	...	...	...	...	...	27,279	51,397	49,873	35,374	40,343
Western Canada Lottery	...	...	...	...	8,129	9,026	12,481	12,817	16,922	18,259
Provincial	25,787	30,808	34,767	40,978	45,731	66,488	105,524	108,465	100,405	110,466
OTHER REVENUE	241	65	83	151	9,132	9,391	6,197	6,225	6,890	6,202
Olympic Lottery	...	...	...	...	3,530	2,856	1,509	...	...	...
Loto Canada	...	...	...	...	...	...	2,204	2,067	2,365	2,418
Federal	...	...	...	...	3,530	2,856	3,709	2,067	2,365	2,418
Atlantic Lottery	...	...	...	...	...	...	26	129	249	468
Loto-Quebec	241	65	83	151	239	312	940	389	286	(434)
Ontario Lottery Corp.	...	...	...	...	...	487	1,121	972	1,182	1,859
Western Canada Lottery	...	...	...	...	363	736	402	669	809	1,912
Provincial	241	65	83	151	602	1,535	2,488	2,158	2,525	3,784
NON-OPERATING EXPENSES	-	-	-	-	-	-	736	1,164	13,402	243
Olympic Lottery	...	...	...	...	-	-	736	...	...	...
Loto Canada	...	...	...	...	...	...			6,566	(4,339)
Federal	...	...	...	...	-	-	736	-	6,566	(4,339)
Atlantic Lottery	...	...	...	...	...	...	-	-	-	203
Loto-Quebec	-	-	-	-	-	-	-	1,164	110	1,998
Ontario Lottery Corp.	...	...	...	...	...	-	-	-	6,726	1,790
Western Canada Lottery	...	...	...	...	-	-	-	-	-	793
Provincial		-	-	-	-	-	-	1,164	6,836	4,784
Net Profit	26,028	30,873	34,851	41,129	112,962	132,329	162,383	147,863	125,839	129,730
Olympic Lottery	...	...	...	...	66,629	64,506	38,162	...	...	...
Loto Canada	...	...	...	...	...	...	16,903	38,406	29,763	20,264
Federal	...	...	...	...	66,629	64,506	54,370	38,406	29,763	20,264
Atlantic Lottery	...	...	...	...	...	...	2,969	7,427	7,391	5,775
Loto-Quebec	26,028	30,873	34,851	41,128	37,841	35,494	39,642	37,901	41,044	44,399
Ontario Lottery Corp.	...	...	...	...	...	27,766	52,318	50,843	29,830	40,817
Western Canada Lottery	...	...	...	...	8,492	4,762	12,883	13,286	17,731	19,678
Provincial	26,028	30,873	34,851	41,129	46,333	68,022	108,013	109,439	96,096	109,466

- figures may not add due to rounding -

Table 1(c)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Percentage of Aggregate Ticket Sales -									
TICKET SALES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
COMMISSIONS & DISCOUNTS	15.0	15.0	[illegible]	[illegible]	7.1	8.2	9.1	[illegible]	9.1	9.6
Olympic Lottery	...	...	...	...	...	...	...	...	...	...
Loto Canada	...	...	...	...	...	...	1.6	2.9	2.6	1.9
Federal	...	...	...	...	...	...	1.6	2.9	2.6	1.9
Atlantic Lottery	...	...	...	...	...	...	2.1	2.1	2.2	2.2
Loto-Quebec	15.0	15.0	16.9	19.1	6.1	4.7	3.9	3.1	2.9	2.7
Ontario Lottery Corp.	...	...	...	...	...	2.8	3.1	3.1	2.9	1.9
Western Canada Lottery	...	...	...	...	0.9	0.6	1.2	1.2	1.2	1.2
Provincial	15.0	15.0	16.9	19.1	7.1	8.2	7.9	7.6	6.7	7.0
Net Ticket Sales	85.0	85.0	83.1	85.9	92.9	91.8	90.9	89.9	90.9	90.4
Olympic Lottery	—	—	—		30.1	39.1	17.6	...	...	...
Loto Canada	—	—	—		...	...	18.1	25.9	25.8	11.9
Federal	—	—	—	—	30.1	39.5	35.1	25.9	25.8	11.9
Atlantic Lottery	...	...	...	...	...	...	1.1	1.9	1.1	1.0
Loto-Quebec	85.0	85.0	83.0	81.9	36.4	37.8	31.9	32.9	34.1	40.3
Ontario Lottery Corp.	...	...	...	...	...	18.6	27.3	27.6	23.3	40.3
Western Canada Lottery	...	...	...	...	4.1	5.8	8.7	8.3	12.3	14.0
Provincial	85.0	85.0	83.0	81.9	42.7	52.2	59.6	63.6	64.9	75.3
PRIZES	29.9	36.7	38.6	39.7	36.7	40.3	44.6	45.6	48.7	49.6
Olympic Lottery	...	...	...	...	19.1	16.0	1.1		...	...
Loto Canada	...	...	...	...	...	...	8.2	11.9	13.3	9.2
Federal	—	—	—		19.1	16.0	13.4	11.9	13.3	9.2
Atlantic Lottery	...	...	...	...	...	...	1.3	1.3	1.3	1.3
Loto-Quebec	29.9	36.3	38.6	39.3	24.2	12.9	10.3	11.6	12.1	14.8
Ontario Lottery Corp.	...	...	...	...	...	7.9	13.2	12.7	12.6	12.4
Western Canada Lottery	...	...	...	...	1.6	3.7	4.7	4.3	7.2	7.6
Provincial	29.9	36.3	38.6	39.7	17.6	26.5	29.9	30.0	33.2	35.5
Gross Operating Revenue	55.1	50.3	47.1	46.2	56.2	51.5	44.1	44.3	42.0	40.6
Olympic Lottery	...	...	...	...	11.1	23.3	16.3		...	...
Loto Canada	...	...	...	...	...	...	1.3	13.1	12.1	1.7
Federal	...	...	...	...	11.1	23.3	17.7	13.1	12.1	1.7
Atlantic Lottery	...	...	...	...	...	...	7.0	7.4	2.2	2.2
Loto-Quebec	55.1	50.3	47.1	46.2	20.2	14.9	11.4	11.4	12.4	13.2
Ontario Lottery Corp.	...	...	...	...	...	10.2	14.1	13.9	9.7	11.6
Western Canada Lottery	...	...	...	...	4.1	5.1	4.0	4.0	5.1	5.9
Provincial	55.1	50.3	47.1	46.2	28.1	27.2	30.3	32.9	29.7	34.9

- figures may not add due to rounding -

Table 1(c)
(cont'd)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Percentage of Aggregate Ticket Sales -									
EXPENSES	7.9	7.0	8.8	8.2	8.7	9.3	7.7	8.4	11.1	11.8
Olympic Lottery	...	...	...	...	3.6	2.4	1.1	...	...	...
Loto Canada	...	...	...	...	...	...	1.9	1.3	1.1	2.6
Federal	...	...	...	...	3.6	2.4	3.0	1.3	1.1	2.6
Atlantic Lottery	...	...	...	...	...	...	0.3	0.6	0.6	0.6
Loto-Quebec	7.9	7.0	8.8	8.2	8.8	7.9	1.9	1.7	1.5	1.2
Ontario Lottery Corp	...	...	...	...	...	1.3	1.3	1.4	1.4	1.1
Western Canada Lottery	...	...	...	...	1.6	0.8	0.9	0.8	1.0	1.1
Provincial	7.9	7.0	8.8	8.2	5.2	4.9	4.4	4.3	4.4	4.3
Net Operating Revenue	47.2	43.3	38.4	38.0	47.6	43.9	38.3	35.2	30.9	29.0
Olympic Lottery	...	...	...	...	27.5	21.1	9.2	...	...	...
Loto Canada	...	...	...	...	...	...	3.9	3.0	7.8	3.1
Federal	...	...	...	...	27.5	21.1	12.0	3.0	7.8	3.1
Atlantic Lottery	...	...	...	...	...	...	0.7	1.8	1.7	...
Loto-Quebec	47.2	43.3	38.4	38.0	18.4	12.1	3.3	3.3	3.4	1.2
Ontario Lottery Corp.	...	...	...	...	...	9.4	12.6	12.3	8.1	8.5
Western Canada Lottery	...	...	...	...	3.2	1.4	3.2	3.2	2.8	4.4
Provincial	47.2	43.3	38.4	38.0	19.9	22.4	23.9	20.8	23.1	25.9
OTHER REVENUE	0.4	0.1	0.1	0.1	1.8	1.5	1.5	1.0	1.1	1.5
Olympic Lottery	...	...	...	...	1.3	1.0	0.4			
Loto Canada	...	...	...	...	...	...	0.4	0.3	0.6	0.6
Federal	...	...	...	...	1.3	1.0	0.9	0.3	0.7	0.6
Atlantic Lottery	...	...	...	...	...	...	—	—	0.1	0.1
Loto-Quebec	0.4	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Ontario Lottery Corp.	...	...	...	...	...	0.2	0.3	0.2	0.1	0.4
Western Canada Lottery	...	...	...	...	0.2	0.2	0.1	0.1	0.2	0.4
Provincial	0.4	0.1	0.1	0.1	0.3	0.3	0.6	0.7	0.4	0.9
NON RECURRING EXPENSES	-						0.2	0.2	0.1	0.1
Olympic Lottery	...	...	...	...	-	-	0.2			
Loto Canada	...	...	...	...	...	...	—	—	1.9	11.13
Federal	...	...	...	...			0.2	-	1.9	11.13
Atlantic Lottery	...	...	...	...	...	...	-	-	-	—
Loto-Quebec	-	—	—	-	—	—	-	0.3	—	0.1
Ontario Lottery Corp.	...	...	...	...	...	-	—	-	1.2	0.9
Western Canada Lottery	—	—	-	—	-	-	—	-	-	0.1
Provincial							-	0.3	1.6	1.1
Net Profit	47.3	43.4	38.5	38.1	49.2	45.0	39.4	36.5	29.6	30.4
Olympic Lottery	...	...	...	...	29.0	22.1	9.4	...	...	...
Loto Canada	...	...	...	...	...	...	3.9	3.3	6.9	4.8
Federal	...	...	...	...	29.0	22.1	13.3	3.3	6.9	4.8
Atlantic Lottery	...	...	...	...	...	...	0.7	1.8	1.7	1.1
Loto-Quebec	47.3	43.4	38.5	38.1	16.5	12.2	9.7	9.4	9.3	10.4
Ontario Lottery Corp.	...	...	...	...	...	9.5	12.9	12.6	8.9	9.5
Western Canada Lottery	...	...	...	...	3.2	1.6	3.2	3.3	4.1	4.6
Provincial	47.3	43.4	38.5	38.1	20.2	23.3	26.5	27.0	22.1	25.7

- Figures may not add due to rounding -

Table 1(d)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Percentage of Individual Corporation Ticket Sales -									
TICKET SALES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Olympic Lottery	...	...	...	...	100.0	100.0	100.0	...	...	...
Loto Canada	...	...	...	...	...	...	100.0	100.0	100.0	100.0
Federal	...	...	...	...	100.0	100.0	100.0	100.0	100.0	100.0
Atlantic Lottery	...	...	...	...	...	...	100.0	100.0	100.0	100.0
Loto-Quebec	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Ontario Lottery Corp.	...	...	...	...	...	100.0	100.0	100.0	100.0	100.0
Western Canada Lottery	...	...	...	...	100.0	100.0	100.0	100.0	100.0	100.0
Provincial	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
COMMISSIONS & DISCOUNTS	15.0	15.0	16.2	16.1	7.1	8.2	9.4	10.3	9.0	9.8
Olympic Lottery	...	...	...	...	...	...	...	...	...	...
Loto Canada	...	...	...	...	...	...	9.2	10.0	9.2	13.7
Federal	...	...	...	...	...	...	9.2	10.0	9.2	13.7
Atlantic Lottery	...	...	...	...	...	...	5.0	5.0	5.0	5.0
Loto-Quebec	15.0	15.0	16.2	16.1	16.7	16.9	15.8	15.0	8.3	5.5
Ontario Lottery Corp.	...	...	...	...	...	12.9	10.7	10.1	9.9	8.7
Western Canada Lottery	...	...	...	...	15.1	15.2	15.2	15.2	15.2	15.4
Provincial	15.0	15.0	16.1	16.1	16.1	15.6	15.2	15.2	9.6	9.2
Net Ticket Sales	85.0	85.0	83.3	83.9	92.9	91.8	90.2	89.5	90.2	90.2
Olympic Lottery	...	...	...	...	100.0	100.0	100.0			
Loto Canada	...	...	...	...	...	...	90.7	90.0	90.8	86.3
Federal	...	...	...	...	100.0	100.0	99.8	90.0	90.8	86.3
Atlantic Lottery	...	...	...	...	...	...	95.0	95.0	95.0	96.0
Loto-Quebec	85.0	85.0	83.3	82.9	83.3	83.0	84.2	85.0	91.7	94.5
Ontario Lottery Corp.	...	...	...	...	...	87.1	89.3	89.9	90.1	91.3
Western Canada Lottery	...	...	...	...	87.9	87.8	87.8	87.8	87.8	87.9
Provincial	85.0	85.0	83.9	83.9	83.9	84.4	88.9	89.1	90.6	90.8
PRIZES	39.9	36.7	38.6	39.7	36.7	40.3	44.6	43.6	48.7	49.6
Olympic Lottery	...	...	...	...	38.2	40.3	42.0	...	...	...
Loto Canada	...	...	...	...	...	...	46.9	47.9	47.8	46.7
Federal	...	...	...	...	38.2	40.3	47.8	47.2	47.6	46.7
Atlantic Lottery	...	...	...	...	...	...	48.9	48.7	48.0	46.3
Loto-Quebec	39.9	36.7	38.6	39.7	38.2	38.7	42.6	44.3	43.4	43.4
Ontario Lottery Corp.	...	...	...	...	...	47.0	49.6	48.7	50.7	46.8
Western Canada Lottery	...	...	...	...	38.1	39.5	47.1	45.5	45.4	47.1
Provincial	39.9	36.7	38.6	39.7	39.3	40.3	43.3	44.3	48.1	45.4
Gross Operating Revenue	45.1	45.3	44.7	44.3	54.2	51.3	46.2	44.2	42.0	40.6
Olympic Lottery	...	...	...	...	62.0	59.7	58.0	...	...	...
Loto Canada	...	...	...	...	...	...	52.9	52.7	52.4	51.4
Federal	...	...	...	...	62.0	59.7	47.9	42.7	43.7	41.4
Atlantic Lottery	...	...	...	...	...	...	47.1	44.3	47.0	45.0
Loto-Quebec	50.0	50.0	49.4	44.3	47.9	46.9	45.8	44.3	44.3	44.3
Ontario Lottery Corp.	...	...	...	...	...	49.3	46.4	45.1	37.7	34.3
Western Canada Lottery	...	...	...	...	48.8	52.3	50.7	47.3	47.8	50.0
Provincial	48.1	45.3	47.3	44.3	50.4	51.4	45.1	44.1	42.5	40.4

- Figures may not add due to rounding -

Table (iii)
Issue(s)

GOVERNMENT OPERATED LOTTERIES

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	(Percentage of Individual Corporation Ticket Sales)									
EXPENSES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olympic Lottery	...	...	...	...	[illegible]	[illegible]	[illegible]	...	...	...
Loto Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Atlantic Lottery	...	...	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]
Loto-Quebec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Lottery Corp.	...	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western Canada Lottery	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Net Operating Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olympic Lottery	...	...	...	...	[illegible]	[illegible]	[illegible]	...	...	...
Loto Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Atlantic Lottery	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Loto-Quebec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Lottery Corp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western Canada Lottery	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
OTHER REVENUE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olympic Lottery	...	...	...	...	[illegible]	[illegible]	[illegible]	...	...	...
Loto Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Atlantic Lottery	[illegible]	[illegible]	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]
Loto-Quebec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Lottery Corp.	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western Canada Lottery	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NON-OPERATING EXPENSES	-	...	...	-	...	-	[illegible]	[illegible]	[illegible]	[illegible]
Olympic Lottery	...	...	...	...	...	...	[illegible]	...	...	...
Loto Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal	...	...	...	...	...	-	[illegible]	-	[illegible]	[illegible]
Atlantic Lottery	...	...	...	...	...	...	-	-	-	[illegible]
Loto-Quebec	-	-	-	-	...	...	-	[illegible]	[illegible]	[illegible]
Ontario Lottery Corp.	...	...	...	...	...	...	-	-	[illegible]	[illegible]
Western Canada Lottery	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial	...	...	-	...	...	-	...	[illegible]	[illegible]	[illegible]
Net Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Olympic Lottery	...	...	...	...	[illegible]	[illegible]	[illegible]	...	...	...
Loto Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Federal	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Atlantic Lottery	...	...	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]
Loto-Quebec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario Lottery Corp.	...	...	...	...	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Western Canada Lottery	...	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

(Figures may not add due to rounding)

Table 2

OLYMPIC LOTTERY

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (1)	1977-78	1978-79	1979-80
a) Thousands of Current Dollars										
TICKET SALES (2)	—	—	—	—	171,943	179,802	138,136	—	—	—
PRIZES	—	—	—	—	99,108	71,899	51,756	—	—	—
Gross Operating Revenue	—	—	—	—	96,711	107,963	79,380	—	—	—
EXPENSES	—	—	—	—	11,084	10,887	7,955	—	—	—
Distribution & Sales	—	—	—	—	4,793	4,676	3,916	—	—	—
Administration	—	—	—	—	1,222	1,188	1,137	—	—	—
Depreciation	—	—	—	—	68	66	—	—	—	—
Net Operating Revenue	—	—	—	—	85,267	96,176	66,497	—	—	—
OTHER REVENUE										
Interest	—	—	—	—	4,769	3,436	2,439	—	—	—
NON-OPERATING EXPENSES										
Contribution to Loto-Canada	—	—	—	—	—	—	1,900	—	—	—
Net Profit	—	—	—	—	90,036	100,612	67,797	—	—	—
b) Percentage of Ticket Sales										
TICKET SALES	—	—	—	—	100	100	100	—	—	—
PRIZES	—	—	—	—	58.0	40.0	62.0	—	—	—
Gross Operating Revenue	—	—	—	—	42.0	60.0	38.1	—	—	—
EXPENSES	—	—	—	—	6.4	6.1	5.8	—	—	—
Distribution & Sales	—	—	—	—	2.8	2.6	2.8	—	—	—
Administration	—	—	—	—	0.7	0.7	0.8	—	—	—
Depreciation	—	—	—	—	—	—	—	—	—	—
Net Operating Revenue	—	—	—	—	49.6	53.9	47.8	—	—	—
OTHER REVENUE										
Interest	—	—	—	—	2.7	1.9	1.7	—	—	—
NON-OPERATING EXPENSES										
Contribution to Loto-Canada	—	—	—	—	—	—	1.3	—	—	—
Net Profit	—	—	—	—	52.4	55.9	48.7	—	—	—

- figures may not add due to rounding -

Table 3

LOTO CANADA

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (1)	1977-78	1978-79	1979-80 (2)
a) Thousands of Current Dollars										
TICKET SALES	...	...	...	...	...	...	107,182	225,214	358,907	136,226
COMMISSIONS & DISCOUNTS	...	...	...	...	...	...	9,988	22,511	23,824	18,376
Net Sales	...	...	...	...	...	...	97,194	202,703	335,083	118,850
PRIZES	...	...	...	...	...	...	58,806	106,556	223,099	60,009
Gross Operating Revenue	...	...	...	...	...	...	38,388	96,147	111,983	58,841
EXPENSES	...	...	...	...	...	...	14,007	21,830	40,696	25,400
Distribution & Sales	...	...	...	...	...	...	—	21,931	35,820	21,839
Administration	...	...	...	...	...	...	—	5,920	4,884	3,561
Net Operating Revenue	...	...	...	...	...	...	24,381	70,316	71,290	33,441
OTHER REVENUE	...	...	...	...	...	...	3,895	3,999	4,964	5,527
Interest	...	...	...	...	...	...	2,595	3,999	4,964	5,527
Contr. From Olympic Lottery	...	...	...	...	...	...	1,300	—	—	—
NON-OPERATING EXPENSES	—	—	—	—	—	—	—	—	13,782	(10,376)
Termination of Loto Select (3)	...	...	...	...	...	...	—	—	13,782	13,125
Wind Up of Operations (4)	—	—	—	—	—	—	—	—	—	(23,501)
Net Profit	...	...	...	...	...	...	28,277	74,315	62,472	46,322
b) Percentage of Ticket Sales										
TICKET SALES	...	...	...	...	...	...	100.0	100.0	100.0	100.0
COMMISSIONS & DISCOUNTS	...	...	...	...	...	...	9.3	10.0	6.6	13.5
Net Sales	...	...	...	...	...	...	90.7	90.0	93.4	86.5
PRIZES	...	...	...	...	...	...	54.9	47.3	62.2	44.0
Gross Operating Revenue	...	...	...	...	...	...	35.8	42.7	31.2	42.5
EXPENSES	...	...	...	...	...	...	13.1	11.5	11.3	18.6
Distribution & Sales	...	...	...	...	...	...	—	9.7	9.8	16.0
Administration	...	...	...	...	...	...	—	2.6	1.3	2.6
Net Operating Revenue	...	...	...	...	...	...	22.8	31.2	19.9	24.3
OTHER REVENUE	...	...	...	...	...	...	3.6	1.8	1.4	4.1
Interest	...	...	...	...	...	...	2.4	1.8	1.4	4.1
Contr. From Olympic Lottery	...	...	...	...	...	...	1.2	—	—	—
NON-OPERATING EXPENSES	—	—	—	—	—	—	—	—	3.8	(7.5)
Termination of Loto Select	...	...	...	...	...	...	—	—	3.8	(9.6)
Wind Up of Operations	—	—	—	—	—	—	—	—	—	(17.1)
Net Profit	...	...	...	...	...	...	26.4	33.0	17.4	34.3

- figures may not add due to rounding -

Table 4

ATLANTIC LOTTERY CORPORATION

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (1)	1977-78	1978-79	1979-80
	- Thousands of Current Dollars -									
TICKET SALES	---	---	---	---	---	---	11,576	40,602	47,617	41,096
Lottery 'A'	---	---	---	---	---	---	11,576	40,602	38,832	29,026
The Provincial (2)	---	---	---	---	---	---	---	---	9,763	10,642
Super	---	---	---	---	---	---	---	---	---	1,628
COMMISSIONS & DISCOUNTS	---	---	---	---	---	---	379	2,030	2,181	2,225
Lottery 'A'	---	---	---	---	---	---	379	2,030	1,943	1,381
The Provincial	---	---	---	---	---	---	---	---	238	522
Super	---	---	---	---	---	---	---	---	---	122
Net Ticket Sales	---	---	---	---	---	---	[illegible]	[illegible]	[illegible]	[illegible]
Lottery 'A'	---	---	---	---	---	---	[illegible]	[illegible]	[illegible]	[illegible]
The Provincial	---	---	---	---	---	---	---	---	9,527	9,920
Super	---	---	---	---	---	---	---	---	---	1,507
PRIZES	---	---	---	---	---	---	5,346	19,764	20,450	12,408
Lottery 'A'	---	---	---	---	---	---	5,346	19,764	17,140	14,436
The Provincial	---	---	---	---	---	---	---	---	3,310	6,917
Super	---	---	---	---	---	---	---	---	---	1,039
Gross Operating Revenue	---	---	---	---	---	---	7,229	18,807	20,486	16,663
Lottery 'A'	---	---	---	---	---	---	7,229	18,807	19,770	13,008
The Provincial	---	---	---	---	---	---	---	---	717	3,207
Super	---	---	---	---	---	---	---	---	---	448
EXPENSES	---	---	---	---	---	---	7,028	4,686	7,286	6,753
Distribution & Sales	---	---	---	---	---	---	5,491	4,020	6,498	5,114
Administration	---	---	---	---	---	---	518	595	687	862
Depreciation	---	---	---	---	---	---	18	71	101	177
Net Operating Revenue	---	---	---	---	---	---	1,201	14,121	13,201	10,910
OTHER REVENUE										
Interest			---	---	---	---	55	250	522	1,087
NON-OPERATING EXPENSES										
Government of Canada (3)	---	---	---	---	---	---	---	---	---	983
Net Profit	---	---	---	---	---	---	1,247	14,371	13,723	10,914

- Figures may not add due to rounding -

Table 4
(cont'd)

ATLANTIC LOTTERY CORPORATION

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77 (1)	1977-78	1978-79	1979-80
	– Percentage of Ticket Sales –									
TICKET SALES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	100.0	100.0	100.0	100.0
Lottery 'A'	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	100.0	100.0	89.1	70.6
The Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.9	25.6
Super	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.0
COMMISSIONS & DISCOUNTS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.0	5.0	5.0	5.0
Lottery 'A'	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	5.0	5.0	4.3	3.8
The Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.6	1.7
Super	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.3
Net Ticket Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	95.0	95.0	95.0	[illegible]
Lottery 'A'	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	95.0	95.0	84.6	[illegible]
The Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	10.4	24.1
Super	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.7
PRIZES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	32.5	48.7	48.6	54.7
Lottery 'A'	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	32.5	48.7	39.1	55.[illegible]
The Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	8.7	16.8
Super	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	2.4
Gross Operating Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	62.5	46.3	47.0	40.1
Lottery 'A'	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	62.5	46.3	45.5	31.7
The Provincial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.6	7.9
Super	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.1
EXPENSES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	17.5	11.5	12.1	10.1
Distribution & Sales	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	12.9	8.9	10.3	12.4
Administration	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4.3	1.3	1.6	2.1
Depreciation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.2	0.2	0.2	0.4
Government of Canada	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	1.1
Net Operating Revenue	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	44.9	34.8	34.9	29.8
OTHER REVENUE										
Interest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	0.4	0.4	1.2	2.4
Net Profit	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	45.3	35.4	36.1	28.6

- figures may not add due to rounding -

Table 5

LOTO-QUÉBEC

STATEMENT OF OPERATIONS
(1)

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	(in Thousands of Current Dollars)									
TICKET SALES	11,436	71,201	97,164	111,310	132,185	47,892	85,161	207,895	244,122	318,226
Mini-Loto	15,797	39,551	45,283	51,981	61,468	44,366	71,285	74,266	60,679	67,291
Inter-Loto	9,981	22,197	26,959	27,576	28,620	29,710	31,374	36,703	28,138	27,771
Super-Loto/Provincial	5,636	9,436	11,309	13,447	21,919	21,746	24,878	32,079	38,124	38,611
Super Interprovincial	—	—	—	—	—	—	—	—	—	9,199
Loto-Perfecta 6/36	—	—	15,914	30,843	38,171	31,871	44,706	42,130	33,879	47,450
Instant-Loto	—	—	—	—	—	—	—	4,104	43,111	70,326
INQ	—	—	—	—	—	—	—	—	—	14,636
COMMISSIONS & DISCOUNTS (2)	2,731	10,508	14,086	17,718	19,417	21,228	25,254	26,278	20,449	36,750
Net Ticket Sales	43,704	60,693	83,078	103,592	112,768	26,664	58,089	178,601	223,413	281,476
PRIZES	11,670	24,791	37,286	49,793	50,264	35,642	71,981	87,328	110,378	144,218
Mini-Loto	8,374	14,762	17,224	20,349	22,296	24,483	27,644	24,313	23,096	28,836
Inter-Loto	6,039	6,643	8,213	9,029	9,426	10,711	13,434	13,133	17,142	12,126
Super-Loto/Provincial	1,758	3,296	4,174	5,281	5,447	7,818	10,627	12,218	20,996	18,013
Super Interprov.)	...	—	—	—	—	—	—	—	—	4,676
Loto-Perfecta 6/36	...	—	7,825	13,137	13,546	15,731	24,100	32,536	33,622	42,091
Instant-Loto	...	—	—	—	—	—	—	11,838	16,321	28,196
INQ	...	—	—	—	—	—	—	—	—	9,401
Gross Operating Revenue	32,130	43,793	45,791	57,897	62,504	68,522	82,108	89,312	113,677	147,911
EXPENSES	6,091	4,986	8,322	10,298	11,703	13,137	13,322	14,439	27,295	40,810
Distribution & Sales	4,863	4,343	7,239	8,546	9,878	10,113	10,791	10,713	19,323	24,239
Administration	647	601	931	1,369	1,335	2,473	2,467	3,768	7,360	15,017
Depreciation	31	43	344	384	390	550	584	958	611	3,038
Net Operating Revenue	26,291	38,808	37,270	47,699	50,800	54,985	68,787	75,473	85,782	107,101
OTHER REVENUE	227	65	91	176	323	488	1,461	1,179	600	(1,039)
Interest	55	63	83	162	229	167	1,141	963	473	(1,179)
Sundry	172	2	8	14	93	119	470	216	127	140
NON-OPERATING EXPENSES	—	—	—	—	—	—	—	1,233	231	4,360
Disposal of Assets (3)	—	—	—	—	—	—	—	—	134	—
Special Expenses (4)	—	—	—	—	—	—	—	1,233	—	—
Government of Canada (5)	—	—	—	—	—	—	—	—	—	4,225
Special Commissions (6)	—	—	—	—	—	—	—	—	—	135
Net Profit	26,518	38,873	37,361	47,873	51,123	55,371	70,048	75,139	86,131	101,699

(Figures may not add due to rounding)

Table 1
(Con'd)

LOTO-QUEBEC

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
b) Percentage of Ticket Sales										
TICKET SALES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mini-Loto	30.1	35.3	46.0	41.4	46.3	45.7	46.0	36.4	24.4	2.1
Inter-Loto	38.9	31.2	23.2	22.0	21.7	20.1	14.3	17.1	11.6	5.9
Super-Loto/Provincial	11.0	14.3	11.8	12.0	12.0	14.7	13.6	10.4	15.6	11.9
Super (Interprovincial)	—	—	—	—	—	—	—	—	—	7.9
Loto-Perfecta 6/36	—	—	16.6	26.6	19.8	21.8	27.1	33.1	30.1	37.4
Instant-Loto	—	—	—	—	—	—	—	0.6	3.7	33.3
INQ	—	—	—	—	—	—	—	—	—	4.1
COMMISSIONS & DISCOUNTS	11.0	11.0	16.3	14.1	14.7	14.4	13.8	12.0	8.7	8.4
Net Ticket Sales	83.0	83.0	83.3	83.9	83.3	85.6	86.2	88.0	91.3	91.6
PRIZES	29.7	36.7	38.4	39.7	38.8	39.7	41.4	44.6	45.7	43.2
Mini-Loto	18.6	20.3	17.3	16.2	16.9	16.3	18.3	16.3	18.3	9.8
Inter-Loto	7.9	6.1	8.3	7.2	7.1	7.1	7.3	6.7	3.0	5.8
Super-Loto/Provincial	3.4	5.4	4.3	5.3	4.2	3.3	3.8	4.6	8.4	6.0
Super (Interprovincial)	—	—	—	—	—	—	—	—	—	1.9
Loto-Perfecta 6/36	—	—	7.9	12.1	9.8	13.4	13.1	16.4	16.8	15.2
Instant-Loto	—	—	—	—	—	—	—	5.7	6.7	4.4
INQ	—	—	—	—	—	—	—	—	—	1.4
Gross Operating Revenue	53.3	50.3	47.1	46.2	47.1	46.3	44.8	43.3	46.1	46.4
EXPENSES	7.4	7.0	8.4	8.2	8.9	8.9	7.3	7.3	11.2	13.8
Distribution and Sales	6.9	6.1	7.2	6.8	7.3	6.8	5.6	5.3	7.8	9.8
Administration	0.4	0.8	1.0	1.1	1.3	1.7	1.6	1.8	3.0	4.1
Depreciation	0.1	0.1	0.4	0.3	0.3	0.4	0.3	0.2	0.4	0.0
Net Operating Revenue	47.2	43.3	38.4	38.0	38.4	37.1	37.5	36.7	35.1	33.4
OTHER REVENUE	0.4	0.1	0.1	0.1	0.2	0.3	0.4	0.4	0.2	0.0
Interest	0.3	0.1	0.1	0.1	0.2	0.2	0.4	0.4	0.2	0.0
Sundry	0.1	—	—	—	—	0.1	0.0	0.2	0.0	—
NON-OPERATING EXPENSES	—	—	—	—	—			0.1	0.1	1.4
Disposal of Assets	—	—	—	—	—	—	—	—	0.1	—
Special Expense	—	—	—	—	—	—	—	0.1	—	—
Government of Canada	—	—	—	—	—	—	—	—	—	1.3
Special Commissions	—	—	—	—	—	—	—	—	—	0.1
Net Profit	47.7	43.4	38.5	38.1	38.7	37.4	36.1	36.1	35.1	31.8

- figures may not add due to rounding -

Table 6

ONTARIO LOTTERY CORPORATION

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Thousands of Current Dollars -									
TICKET SALES (1)	---	---	---	---	---	97,137	218,732	240,431	235,306	323,787
Wintario	---	---	---	---	---	97,132	168,960	169,538	138,173	131,353
The Provincial	---	---	---	---	---	---	50,433	56,875	83,239	83,643
Lotteria	---	---	---	---	---	---	---	---	11,875	81,427
Super	---	---	---	---	---	---	---	---	---	7,361
COMMISSIONS & DISCOUNTS (2)	---	---	---	---	---	12,528	22,332	30,187	22,681	38,293
Wintario	---	---	---	---	---	12,528	18,863	17,966	13,337	17,071
The Provincial	---	---	---	---	---	---	6,010	6,235	6,394	6,199
Lotteria	---	---	---	---	---	---	---	---	386	9,082
Super	---	---	---	---	---	---	---	---	---	560
Net Ticket Sales	---	---	---	---	---	84,609	186,440	216,243	212,623	285,495
Wintario	---	---	---	---	---	84,609	150,097	145,591	122,835	114,284
The Provincial	---	---	---	---	---	---	46,422	20,636	78,699	77,443
Lotteria	---	---	---	---	---	---	---	---	11,093	76,943
Super	---	---	---	---	---	---	---	---	---	6,821
PRIZES (3)	---	---	---	---	---	56,095	94,962	107,317	123,886	182,734
Wintario	---	---	---	---	---	56,095	87,209	69,364	66,190	84,921
The Provincial	---	---	---	---	---	---	27,669	37,973	31,852	32,303
Lotteria	---	---	---	---	---	---	---	---	5,341	60,732
Super	---	---	---	---	---	---	---	---	---	4,778
Gross Operating Revenue	---	---	---	---	---	48,314	101,487	108,726	88,739	112,762
Wintario	---	---	---	---	---	48,514	82,723	76,047	36,644	49,364
The Provincial	---	---	---	---	---	---	18,774	32,681	28,846	23,143
Lotteria	---	---	---	---	---	---	---	---	9,230	56,213
Super	---	---	---	---	---	---	---	---	---	3,044
EXPENSES	---	---	---	---	---	5,959	10,678	12,223	14,490	20,073
Distribution & Sales	---	---	---	---	---	3,923	8,130	9,722	10,679	12,183
Administration	---	---	---	---	---	2,037	2,538	2,501	4,011	7,890
Net Operating Revenue	---	---	---	---	---	42,355	90,809	96,503	74,248	92,687
OTHER REVENUE	---	---	---	---	---	700	1,984	1,880	3,461	4,230
NON-OPERATING EXPENSES	---	---	---	---	---	---	---	---	19,117	9,092
Provision for Loss Canada (4)	---	---	---	---	---	---	---	---	2,530	---
Government of Canada (5)	---	---	---	---	---	---	---	---	---	2,122
Game Development & Start-up Costs (6)	---	---	---	---	---	---	---	---	11,887	1,970
Lotteria	---	---	---	---	---	---	---	---	11,587	1,926
Super	---	---	---	---	---	---	---	---	---	44
Net Profit (Loss)	---	---	---	---	---	43,113	92,800	98,383	62,213	92,845
Wintario	---	---	---	---	---	43,113	77,077	70,132	49,767	53,868
The Provincial	---	---	---	---	---	---	15,723	28,236	21,983	20,652
Lotteria	---	---	---	---	---	---	---	---	19,1343	27,500
Super	---	---	---	---	---	---	---	---	---	525

- Figures may not add due to rounding -

Table 6
(cont'd)

ONTARIO LOTTERY CORPORATION

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
	- Percentage of Ticket Sales -									
TICKET SALES	...	...	...	...	...	100.0	100.0	100.0	100.0	100.0
Wintario	...	...	...	...	...	100.0	77.0	68.2	58.8	46.7
The Provincial	...	...	...	...	...	...	22.1	32.0	36.1	27.8
Lottario	...	...	...	...	...	...	—	—	5.2	25.1
Super	...	...	...	...	...	...	...	—	—	2.3
COMMISSIONS & DISCOUNTS	...	...	...	...	...	12.9	10.2	10.1	9.6	8.7
Wintario	...	...	...	...	...	12.9	8.9	7.3	6.5	5.3
The Provincial	...	...	...	...	...	...	1.3	2.8	2.8	1.5
Lottario	...	...	...	...	...	...	...	—	0.2	1.4
Super	...	...	...	...	...	...	...	—	—	0.5
Net Ticket Sales	...	...	...	...	...	87.1	89.8	89.9	90.4	91.3
Wintario	...	...	...	...	...	87.1	68.0	60.8	52.2	41.3
The Provincial	...	...	...	...	...	...	21.2	29.6	33.3	23.9
Lottario	...	...	...	...	...	...	...	...	4.7	23.8
Super	...	...	...	...	...	...	...	...	—	2.1
PRIZES	...	...	...	...	...	37.2	43.6	44.7	42.7	36.0
Wintario	...	...	...	...	...	37.2	30.8	28.9	28.3	26.3
The Provincial	...	...	...	...	...	...	12.6	15.8	12.1	14.2
Lottario	...	...	...	...	...	...	...	...	2.3	12.4
Super	...	...	...	...	...	...	...	...	—	1.1
Gross Operating Revenue	...	...	...	...	...	49.9	46.4	45.2	47.7	54.3
Wintario	...	...	...	...	...	49.9	37.8	31.9	24.1	15.2
The Provincial	...	...	...	...	...	...	8.6	13.8	21.4	7.8
Lottario	...	...	...	...	...	...	—	—	2.2	11.2
Super	...	...	...	...	...	...	...	—	—	0.6
EXPENSES	...	...	...	...	...	6.1	6.7	5.1	6.2	6.2
Distribution & Sales	...	...	...	...	...	4.0	5.1	4.2	4.5	3.8
Administration	...	...	...	...	...	2.1	1.6	1.0	1.7	2.4
Net Operating Revenue	...	...	...	...	...	43.8	41.3	40.1	41.6	48.0
OTHER REVENUE	...	...	...	...	...	0.8	0.9	0.8	1.1	1.3
NON-OPERATING EXPENSES	...	...	...	...	...	...	...	...	0.8	1.3
Provision for Loto-Canada	...	...	...	...	...	...	...	...	7.1	...
Government of Canada	...	...	...	...	...	...	...	...	...	0.1
Game Development & Start Up Costs	...	...	...	...	...	...	...	...	4.8	0.6
Lottario	...	...	...	...	...	...	...	...	4.8	0.6
Super	...	...	...	...	...	...	...	...	...	—
Net Profit (Loss)	...	...	...	...	...	44.4	41.4	40.9	36.6	38.7
Wintario	...	...	...	...	...	44.4	33.2	29.2	21.2	15.3
The Provincial	...	...	...	...	...	...	7.2	11.7	8.9	6.9
Lottario	...	...	...	...	...	...	...	...	(3.9)	8.6
Super	...	...	...	...	...	...	...	...	...	2.2

- Figures may not add due to rounding -

Table 7

WESTERN CANADA LOTTERY FOUNDATION

STATEMENT OF OPERATIONS
(1)

	1970-71	1971-72	1972-73	1973-74	1974-75 (2)	1975-76 (3)	1976-77 (4)	1977-78 (5)	1978-79	1979-80
					a) Thousands of Current Dollars					
TICKET SALES	...	...	...	...	22,282	90,104	71,273	74,038	129,820	156,305
Western	...	...	...	...	21,240	16,970	3,931	...	...	...
Olympic	...	...	...	...	1,042	11,791	3,446	...	...	...
Express	...	...	...	...	...	1,865	40,332	40,116	76,755	93,112
Provincial	...	...	...	...	...	...	23,304	32,940	23,974	56,243
Super	...	...	...	...	...	...	...	...	...	6,949
COMMISSIONS & DISCOUNTS (6)	...	...	...	...	2,707	3,682	8,083	9,019	13,855	19,650
Net Ticket Sales	...	...	...	...	19,575	26,422	62,590	65,019	113,991	136,655
PRIZES (7)	...	...	...	...	6,249	16,713	35,767	35,730	63,487	74,148
Western	...	...	...	...	5,301	5,636	1,389	...	...	...
Olympic	...	...	...	...	948	10,276	3,356	...	...	...
Express	...	...	...	...	...	803	16,630	17,519	37,362	42,088
Provincial	...	...	...	...	...	...	12,374	18,211	26,125	28,008
Super	...	...	...	...	...	...	...	...	...	4,032
Gross Operating Revenue	...	...	...	...	13,326	9,709	28,823	31,289	48,504	62,507
EXPENSES	...	...	...	...	4,344	3,428	6,759	6,488	12,985	20,079
Distribution & Sales	...	...	...	...	1,961	2,071	4,790	5,536	9,617	14,858
Administration	...	...	...	...	2,383	1,357	2,069	1,952	3,368	5,221
Net Operating Revenue	...	...	...	...	10,982	6,281	22,034	24,801	35,519	42,429
OTHER REVENUE	...	...	...	...	491	1,148	710	908	1,698	4,370
NON-OPERATING EXPENSES										
Government of Canada (8)	...	...	...	...	...	...	...	...	...	3,813
Net Profit (9)	...	...	...	...	11,473	7,429	22,744	25,709	37,218	44,984

- figures may not add due to rounding -

Table 7
Continued

WESTERN CANADA LOTTERY FOUNDATION

STATEMENT OF OPERATIONS

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
b) Percentage of Ticket Sales										
TICKET SALES	---	---	---	---	100.0	100.0	100.0	100.0	100.0	100.0
Western	---	---	---	---	93.3	36.4	3.5	---	---	---
Olympic	---	---	---	---	6.7	57.5	6.2	---	---	---
Express	---	---	---	---	---	6.1	36.6	56.2	59.1	59.6
Provincial	---	---	---	---	---	---	32.7	43.8	40.9	36.0
Super	---	---	---	---	---	---	---	---	---	4.4
COMMISSIONS & DISCOUNTS	---	---	---	---	12.1	12.2	12.2	12.2	12.2	12.4
Net Ticket Sales	---	---	---	---	87.9	87.8	87.8	87.8	87.8	87.6
PRIZES	---	---	---	---	39.1	33.3	47.3	45.9	36.4	47.4
Western	---	---	---	---	19.8	18.7	1.9	---	---	---
Olympic	---	---	---	---	4.3	36.1	4.7	---	---	---
Express	---	---	---	---	---	2.7	23.3	23.7	28.8	26.9
Provincial	---	---	---	---	---	---	17.4	21.8	21.7	17.4
Super	---	---	---	---	---	---	---	---	---	2.6
Gross Operating Revenue	---	---	---	---	48.8	52.3	40.3	41.9	47.4	40.0
EXPENSES	---	---	---	---	19.5	11.4	9.3	8.8	10.0	12.9
Distribution & Sales	---	---	---	---	8.8	6.9	6.7	4.1	5.4	6.4
Administration	---	---	---	---	10.7	4.5	2.6	3.6	4.6	6.5
Net Operating Revenue	---	---	---	---	49.3	40.9	30.9	33.5	37.4	27.1
OTHER REVENUE	---	---	---	---	1.2	3.8	1.0	1.2	1.3	2.8
NON-OPERATING EXPENSES										
Government of Canada	---	---	---	---	---	---	---	---	---	1.2
Net Profit	---	---	---	---	51.3	24.7	31.9	34.7	28.7	28.8

- figures may not add due to rounding -

Table 8

LOTTERY START - TERMINATION DATES

Lottery	Start	Termination
Olympic Lottery	Apr. 15, 1974	Aug. 29, 1976
Loto Canada	June 7, 1976	Dec. 31, 1979
Atlantic Lottery	Sept. 3, 1976	N/A
Loto-Québec	Jan. 1, 1970	N/A
Ontario Lottery Corporation	Feb. 6, 1975	N/A
Western Canada Lottery Foundation	May 13, 1974	N/A

Table 9

AUDITORS

Lottery	Name
Olympic Lottery	Auditor General of Canada
Loto Canada	Auditor General of Canada
Atlantic Lottery	Peat, Marwick, Mitchell & Company, Chartered Accountants
Loto Quebec	Auditor General of Quebec
Ontario Lottery Corporation	Provincial Auditor of Ontario
Western Canada Lottery Foundation	Clarkson, Gordon & Co., Chartered Accountants

Table 10

IMPLICIT PRICE INDEX

Fiscal Year	Calendar Year	I.P.I.
1970-71	1970	94.2
1971-72	1971	100.0
1972-73	1972	107.2
1973-74	1973	116.4
1974-75	1974	135.1
1975-76	1975	156.0
1976-77	1976	176.7
1977-78	1977	193.5
1978-79	1978	209.9
1979-80	1979	228.6
1980-81	1980	254.6

NOTES

Source: National Income & Expenditure Accounts, Statistics Canada, Cat. 13.001

Table 11

STATISTICAL SYMBOLS

The following statistical symbols are used in the Tables:

Figures not available	..
Figures not appropriate or not applicable	...
Nil or zero	-
Amount too small to be expressed	—

Table 1

1. Method of Presentation

Because of the lack of uniformity in the presentation of the financial data by the various lotteries, certain changes in the format were required which do not affect the final results. For details on the composition of line items in Table 1, refer to the individual sections on lottery corporations and the appropriate footnotes.

2. Fiscal Year

The financial year runs from April 1 to March 31 unless otherwise indicated. All lotteries now use this fiscal year.

3. Interprovincial Lottery Corporation

This organization was established in 1976 in order to operate lotteries on an interprovincial basis. The marketing agencies are:

Name of Lottery	Date of Association with Corporation
Ontario Lottery	September 1976
Western Canada Lottery	November 1976
Loto-Québec	September 1978
Atlantic Lottery	January 1979

All operating costs of the Interprovincial Lottery Corporation are charged to the marketing agencies on the basis of their respective sales and are reflected in the financial statements of these agencies. The Interprovincial Lottery Corporation is charged only with selling tickets to the member agencies. It does not publish any financial statements of its own.

Table 2

1. Fiscal Period

From April 1976 to August 1976 (termination date).

2. Ticket Sales

Ticket sales are shown net after deducting Commissions & Discounts.

Table 3

1. Fiscal Period

From June 7, 1976 (commencement of operations) to March 31, 1977.

Table 3 (cont'd)

2. Fiscal Period

From April 1, 1979 to December 31, 1979 (termination of operations).

3. Termination of Loto Select

Loto Canada entered an agreement with the Ontario Lottery Corporation and Loto-Québec to cancel Loto Select on the understanding that the latter two organizations would contribute the amount of $5,191,000 towards the cancellation costs in equal shares, thus reducing this charge from $13,782,000 to $8,591,000. In the books of Loto Canada the amount due was set up, but a provision for non-payment for a like amount was also made. The respective amounts were paid in 1979-80.

4. Wind-up of Operations

During August 1979 the federal and provincial governments signed an agreement whereby Loto Canada would withdraw from the sale of lottery tickets effective December 31, 1979 and wind up its operations as quickly after that date as possible. The positive amount shown under expenses for 1979-80 results from a surplus of revenue resulting from termination in the form of "provision for prizes - future draws" ($7,007,311) over termination costs ($1,756,938).

Table 4

1. Fiscal Period

From Sept. 3, 1976 (commencement of operations) to March 31, 1977.

2. The Provincial

As of January 1, 1979 the Atlantic Lottery Corporation is the marketing agent for the Interprovincial Lottery Corporation.

The cost of tickets bought is not shown as a separate item and is included in operating expenses.

3. Payment to Government of Canada

In August 1979 a federal-provincial agreement was reached which stipulated that the Government of Canada would withdraw from the sale of lottery tickets effective December 31, 1979. Effective January 1, 1980 the agreement required the provinces to remit quarterly to the Government of Canada, through the Interprovincial Lottery Corporation, the sum of $6 million, appropriately adjusted to reflect the effects of inflation.

The amount shown is the Atlantic Provinces' share of the payments to the Government of Canada for the period to March 31, 1980.

NOTES TO THE STATEMENTS OF OPERATIONS

Table 5

1. Commencement of Operations

Operations of Loto-Québec commenced on January 1, 1970. The amounts were not significant and have therefore been omitted from this tabulation.

2. Commissions & Discounts

In the 1970-71 financial statement of Loto-Québec, unlike those for subsequent years, 'discounts on sales' is included in 'distribution and sales expenses'. A portion of that combined amount has been pro rated out, on the basis of the relationship between 'discounts on sales' and 'distribution and sales' for subsequent years, for inclusion under Commissions & Discounts in Table 5.

In the 1979-80 financial statement of Loto-Québec 'remuneration of wholesalers' is not broken out as in previous years, but is rather included in 'distribution and sales expenses'. An amount has been pro rated from the combined figure on the basis of breakdowns found in the 1978-79 Annual Report, for inclusion under Commissions & Discounts in Table 5.

3. Disposal of Assets

1978-79

This amount is represented by the following:

Loss on sale of bonds held by Loto-Québec in relation to prizes payable by instalments	$ 69,826
Loss on the sale of land and a building at the nominal amount of $1 to the Société d'habitation du Québec	161,306
	$ 231,132

4. Special Expenses

1977-78

This amount is composed of the following items:

Pension Fund Contributions applicable to prior years	$1,656,250
Start-up costs - Instant Lottery	596,963
	$2,253,213

Table 5 (cont'd)

5. Payment to Government of Canada

The amount shown comprises two payments to the Government of Canada:

Loto-Québec's share of the cost of dissolving the Loto Select game by Loto-Canada Inc.	$2,595,676
Loto-Québec's contribution in return for the Government of Canada's withdrawal from the lottery business for the three months ended March 31, 1980 (See Note 3, Table 4)	1,633,200
	$4,228,876

6. Special Commissions

This amount represents the matching commission paid on Lotomatique sales by non-profit organizations. This amount matches the regular commission paid to retailers which is shown under Commissions & Discounts in Table 5.

Table 6

1. Ticket Sales

The 1979-80 financial statements of the Ontario Lottery Corporation gives no breakdown of Ticket Sales by lottery. The breakdown shown was obtained from the Ontario Lottery Corporation.

2. Commissions & Discounts

'Bonuses to retailers' which is shown as an 'operating expense' in the financial statements of the Ontario Lottery Corporation until 1977-78 is included under Commissions & Discounts.

The 1979-80 financial statement gives no breakdown of Commissions & Discounts by lottery. Breakdowns for 1978-79 and 1979-80 were obtained from the Ontario Lottery Corporation

3. Prizes

The 'Cost of tickets' bought from the Interprovincial Lottery Corporation for the Provincial in 1978-79 and 1980 and for Super Loto in 1979-80 have been shown under prizes. In the 1978-79 and 1979-80 financial statments of the Ontario Lottery Corporation this cost is shown as a separate item with no prize amounts for the two lotteries. In fact, well over half of the cost of those tickets is returned in prizes.

Table 6 (cont'd)

4. Provision for Loto Canada

In 1978-79 the Ontario Lottery Corporation made a provision in their accounts for an amount of $2,529,675 allocated equally between its three constituent lotteries for a payment due under an agreement between Loto Canada and the Corporation.

In view of the fact that Loto Canada had agreed with the Ontario Lottery Corporation (and Quebec) to withdraw from Loto Select, this contribution was recorded in the books of the Corporation and paid in the subsequent fiscal year.

5. Payment to Government of Canada

This figure represents Ontario's share of the first quarterly payment to the Government of Canada under the terms of the federal-provincial lottery agreement of August 1979 (see Note 3, Table 4). This payment is shown under Non-recurring Expenses in the table and not as an operating expense as it is treated in the 1979-80 financial statement of the Ontario Lottery Corporation

6. Lottario - Start-up Cost

The loss of approximately $9 million constitutes the start-up cost of Lottario.

Table 7

1. Change in Statement Format

The organizational structure of the Western Canada Lottery is different from the other lottery jurisdictions operating in Canada. Unlike other government lotteries, including the Atlantic Lottery Corporation, the Western Canada Lottery Foundation has devolved the sales function to Provincial Marketing Organizations (PMOs) in each of the member provinces or territories.

For the first five years of its existence the financial statements published by the Foundation showed only the financial activities under its direct control. The operating expenses of the PMOs as well as commissions paid to distributors and retailers were not included. In order to provide a complete picture of combined lottery income the Western Canada Lottery began, with the 1979-80 Annual Report, to present a combined statement of operations showing revenue and expenses of both the Western Canada Lottery Foundation and the PMOs. Combined statements were shown for 1979-80 and 1978-79.

Table 7 (cont'd)

These combined statements not only present a more accurate picture of the Western Canada Lottery operations, but also make its financial data more compatible with the statements of other government lotteries. The Western Canada Lottery Foundation has not, however, attempted to back cast combined statements for the years prior to 1978-79. In preparing the attached trend series tables, it was essential that combined data be shown for those years as well. Unfortunately the separate statements available from the Western Canada Lottery Foundation and the PMOs for the years 1974-75 through 1977-78 do not lend themselves to aggregation. It proved necessary to modify the uncombined statements of the Western Canada Lottery Foundation to reflect the expenses of the PMOs including commissions on ticket sales paid to commercial distributors and retailers.

The effective combining of statements for the Western Canada Lottery for the pre-1978-79 period entailed a large number of calculations. Pro rating was done largely on the basis of comparison between the uncombined statement for 1978-79 shown in the 1978-79 Annual Report and the combined statement for the same year shown in the 1979-80 Annual Report. In addition further breakdowns of financial items shown in the statements were obtained from the Western Canada Lottery Foundation to assist in accurate pro rating. No attempt is made in the table notes to describe the calculations involved because of their number and complexity.

2. Fiscal Period

From May 13, 1974 (commencement of operations) to July 31, 1975.

3. Fiscal Period

From August 1, 1975 to July 31, 1976.

4. Fiscal Period

From August 1, 1976 to July 31, 1977.

5. Fiscal Period

From July 31, 1977 to March 31, 1978.

Table 7 (cont'd)

6. Commissions & Discounts

The Commissions & Discounts figure shown in Table 7 includes all retailer commissions but only commercial distributor commissions. Distributor commissions paid to non-profit organizations are not included (See Note 8).

In the financial statements of the Western Canada Lottery Foundation the item 'Sellers' prizes and commissions' is shown as an 'expense'. These items have been included under Commissions & Discounts in Table 7.

7. Prizes

The 'Cost of tickets' bought from the Olympic Lottery for the years 1974-75 through 1976-77 has been shown under prizes. In the financial statements of the Western Canada Lottery Foundation this cost is shown as a separate item with no corresponding prize figures. In fact, well over half of the cost of those tickets is returned in prizes.

8. Payment to Government of Canada

This figure represents the Western Canada Lottery's share of the first quarterly payment to the Government of Canada under the terms of the federal-provincial lottery agreement of August 1979 (Note 3, Table 4). In the financial statement of the Western Canada Lottery Foundation this payment is shown as a deduction from Net Profit ('Revenue from lottery operations') whereas in Table 7 it is shown prior to Net Profit.

9. Net Profit

The Net Profit figures in Table 7 correspond to the net revenue ('Revenue from lottery operations') figures shown in the combined financial statements of the Western Canada Lottery Foundation. These figures are gross of 'distributor commissions paid to non-profit organizations'. As noted in the 1979-80 Annual Report, these commissions are treated "as a distribution of net revenues recognizing that one of the objectives of the foundation is to provide a system whereby volunteer groups or non-profit organizations can earn revenues for their respective causes". In effect distributor commissions for non-profit groups are considered equivalent to earmarking of net profits in other lottery jurisdictions. The distribution of net revenue as shown in the 1979-80 annual report of the Western Canada Lottery Foundation is listed below:

Table 7 (cont'd)

	1980	1979
Net revenue from lottery operations	$46,797,285	$37,217,830
Distributed as follows:		
Distributor commissions to non-profit organizations	$12,062,808	$9,961,043
Net revenue to Provincial Marketing Organizations or Provincial Governments	$32,921,235	$27,256,787
Payment to the Federal Government	$1,813,242	-
Total	$46,797,285	$37,217,830

LOTTERIES AND THE ARTS
The Canadian Experience

Appendix C

PRIVATE OPERATED LOTTERIES: FINANCIAL TABLES AND NOTES

PRIVATE OPERATED LOTTERIES

Financial Tables and Notes

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INTRODUCTION

The private lottery tables were derived from information provided by provincial licensing authorities. Sufficient information to cast tables was available for the provinces of Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. As noted in the main report, data on private lotteries vary significantly in terms of both number of years and detail. Breakdowns by types of games - raffles, bingo and so on - were available for several provinces. Footnotes are included at the end of each table to help clarify the information presented. The following descriptions of the types of data displayed, where available, may be of assistance in reading the tables.

Licensing Data

Licences. Refer to the number of licences issued by the provincial licensing authorities. This number normally will not correspond to either the number of games (events) held or the number of organizations operating lotteries. Licences are commonly issued for several games, and a single organization may run several games on one or more licences in the course of a year. Practices differ from province to province due to variations in regulations.

Lotteries or Events. Refers to the number of games held.

Organizations. Refers to the number of organizations holding one or more games .

Fees. Refers to the licence fees (shown in current dollars) collected by the licensing body from the operators of private lotteries.

Revenue and Expenditure

Gross Receipts. Refer to gross revenue - that is, the revenue prior to payment of prizes and expenses - resulting from private lotteries during the year in question. This item is similar to the ticket sales item shown in the government operated lottery tables, but includes revenue from games other than those involving the sale of tickets (such as the purchase of a bingo card). In the vernacular of gambling, it is the money wagered for a "consideration" in some game.

Prizes. Refers to the value of prizes returned to participants in private lotteries. These prizes may take the form of either cash or goods and merchandize.

Expenses. Refer to costs incurred in operating a private lottery other than the prizes paid out.

Net Receipts. Refer to the revenue remaining after the payment of all prizes and expenses. This item corresponds to the net profit item shown for government operated lotteries. In the case of non-profit lotteries, however, the money must be returned to, or used for, some non-profit activity.

Table 1

PRIVATE OPERATED LOTTERIES

QUEBEC

	1970-71 (1)	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80
- Licensing data -										
LOTTERIES	21,558	24,314	28,106	30,183	33,311	38,928	41,356	43,637	42,282	—
LICENCES	231	5,838	6,025	6,332	6,566	7,303	7,372	7,340	7,011	3,737
ORGANIZATIONS	1,291	1,869	1,922	2,126	2,301	2,629	2,881	3,136	3,613	—
FEES	219,830	603,705	727,819	825,375	928,148	1,079,956	1,126,241	1,230,999	1,319,021	4,289,797
- Revenue and Expenditure -										
a) Thousands of Current Dollars										
GROSS RECEIPTS	13,756	25,336	37,751	42,702	57,506	68,243	76,611	86,116	94,595	102,408
PRIZES	8,659	16,353	24,577	31,059	36,316	41,982	46,343	52,366	58,041	60,838
EXPENSES	1,479	3,027	5,037	6,496	8,131	9,788	11,516	12,809	14,548	16,033
NET RECEIPTS	3,637	5,755	8,147	10,152	12,859	16,473	18,753	21,027	22,001	25,497
b) Thousands of Constant 1971 Dollars										
GROSS RECEIPTS	14,601	25,336	33,244	40,981	42,565	45,746	45,579	44,519	43,004	44,798
PRIZES	9,170	16,353	22,926	26,678	27,029	26,912	26,228	27,028	27,632	26,611
EXPENSES	1,570	3,027	4,699	5,581	6,018	6,275	6,614	6,620	6,931	7,022
NET RECEIPTS	3,860	5,755	7,619	8,722	9,518	10,359	10,737	10,867	10,482	11,134

- Figures may not add due to rounding -

Source: Régie des loteries et courses du Québec, Gouvernement du Québec.

Note

(1) Refers to fiscal year ending March 31.

Table 2

PRIVATE OPERATED LOTTERIES

ONTARIO

	1970 (1)	1971	1972	1973	1974	1975	1976	1977	1978	1979
- Licensing Data -										
EVENTS										
Provincial	896	2,217	3,001	3,217	2,968	2,974	3,784	3,969	3,014	4,186
Bingo	759	1,845	2,330	2,728	2,619	2,668	2,399	3,300	2,017	3,698
Raffle	137	336	668	474	334	302	381	661	976	480
Bazaar	1	16	13	15	15	4	4	8	21	8
Municipal	29,885	34,323	39,096	40,895	46,700	49,070	51,035	57,121	55,319	56,823
Bingo	22,680	45,388	44,674	46,569	51,946	57,621	64,581	70,070	77,452	79,236
Raffle	6,818	12,388	15,272	15,120	14,700	14,353	15,012	15,884	16,732	18,428
Bazaar	383	949	1,148	1,210	1,056	1,096	1,141	1,187	1,230	147
Total	30,779	38,540	42,095	44,112	49,668	54,044	54,819	61,090	100,333	101,011
Bingo	23,439	45,231	47,134	49,293	54,561	60,289	68,280	73,370	81,779	81,948
Raffle	6,955	12,342	15,940	15,594	14,034	14,655	15,394	16,521	17,308	18,908
Bazaar	383	967	1,161	1,222	1,071	1,100	1,145	1,191	1,251	155
LICENCES ISSUED	6,865	12,906	13,765	14,478	16,477	14,641	18,316	19,499	20,930	18,559
Provincial	222	317	346	525	367	472	330	613	686	392
Municipal	6,643	12,589	13,219	13,949	15,930	16,173	17,766	18,886	20,244	19,167
- Revenue and Expenditure - (2)										
a) Thousands of Current Dollars										
PRIZES	22,077	41,968	49,913	52,816	59,803	61,313	67,602	72,651	81,251	86,310
Bingo	17,313	33,173	33,962	40,358	46,422	45,870	50,936	54,450	58,104	57,278
Raffle	4,378	8,389	8,803	8,049	12,965	15,583	16,733	18,733	21,166	29,232
Bazaar	184	206	193	215	219	220	233	365	257	1
b) Thousands of Constant 1971 Dollars										
PRIZES	22,077	41,968	40,090	45,374	40,418	39,651	38,141	37,560	38,844	37,844
Bingo	18,194	33,173	31,635	37,916	30,660	29,470	28,826	28,142	27,687	25,053
Raffle	4,647	8,389	8,212	7,774	9,396	9,821	9,187	9,691	11,034	12,787
Bazaar	196	206	189	185	162	191	132	127	122	1

- figures may not add due to rounding -

Source: Lotteries Branch, Ontario Ministry of Consumer and Commercial Relations.

Notes

(1) Refers to calendar year.
(2) Only Prize data are available.

Table 9

PRIVATE OPERATED LOTTERIES

MANITOBA
(1)

	1970	1971	1972	1973	1974	1975	1976	1977 (2)	1978	1979
- Licensing Data - (3)										
LICENCES (no.)	—	—	—	—		—	—	—	—	3,032
Provincial	—	—	—	—	—	—	—	955	944	1,070
Bingo	—	—	—	—	—	—	—	139	171	183
Breakopens	—	—	—	—	—	—	—	79	264	183
Wheels of Fortune	—	—	—	—	—	—	—	83	119	101
Raffles	—	—	—	—	—	—	—	50	97	131
Calcuttas	—	—	—	—	—	—	—	—	—	93
Other Lotteries	—	—	—	—	—	—	—	78	120	—
Casinos	—	—	—	—	—	—	—	5	10	9
Agricultural Fairs	—	—	—	—	—	—	—	2	4	4
Midway Operators	—	—	—	—	—	—	—	5	5	8
Municipal	—	—	—	—	—	—	—	—	—	4,022
Raffle	—	—	—	—	—	—	—	—	—	3,216
Bingo	—	—	—	—	—	—	—	—	—	790
Bazaar	—	—	—	—	—	—	—	—	—	16
- Licence Fees -										
FEES (Current $)	—	—	—	—	—	—	—	—	—	126,843
Provincial	—	—	—	—	—	—	105,604	180,620	222,189	494,945
Municipal	—	—	—	—	—	—	—	—	—	28,310
- Revenue and Expenditure -										
(in Thousands of Current Dollars)										
GROSS RECEIPTS	—	—	—	—	—	—	—	—	—	77,069
Provincial	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]
Bingo	—	—	—	—	—	—	—	9,502	9,623	9,003
Breakopens	—	—	—	—	—	—	—	2,084	7,599	13,366
Wheels of Fortune	—	—	—	—	—	—	—	38	62	17
Raffles	—	—	—	—	—	—	—	559	639	2,207
Calcuttas	—	—	—	—	—	—	—	—	—	129
Other Lotteries	—	—	—	—	—	—	—	2,934	3,796	—
Casinos	—	—	—	—	—	—	—	667	929	1,294
Municipal	—	—	—	—	—	—	—	—	—	3,977
Raffle	—	—	—	—	—	—	—	—	—	2,943
Bingo	—	—	—	—	—	—	—	—	—	1,963
Bazaar	—	—	—	—	—	—	—	—	—	30
PRIZES	—	—	—	—	—	—	—	—	—	30,110
Provincial	—	—	—	—	—	—	—	8,447	13,672	17,187
Bingo	—	—	—	—	—	—	—	3,609	6,399	6,301
Breakopens	—	—	—	—	—	—	—	1,999	3,372	4,630
Wheels of Fortune	—	—	—	—	—	—	—	—	—	—
Raffles	—	—	—	—	—	—	—	252	245	1,101
Calcuttas	—	—	—	—	—	—	—	—	—	105
Other Lotteries	—	—	—	—	—	—	—	4,106	3,551	—
Casinos	—	—	—	—	—	—	—	—	—	—
Municipal	—	—	—	—	—	—	—	—	—	2,774
Raffle	—	—	—	—	—	—	—	—	—	1,266
Bingo	—	—	—	—	—	—	—	—	—	1,503
Bazaar	—	—	—	—	—	—	—	—	—	5

- figures may not add due to rounding -

Table 3
(Cont'd)

PRIVATE OPERATED LOTTERIES

MANITOBA

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
- Revenue and Expenditure -										
a) Thousands of Current Dollars (Cont'd)										
EXPENSES	—	—	—	—	—	—	—	—	—	3,751
Provincial	—	—	—	—	—	—	—	1,813	2,893	2,812
Bingo	—	—	—	—	—	—	—	756	1,337	938
Breakopens	—	—	—	—	—	—	—	90	368	801
Wheels of Fortune	—	—	—	—	—	—	—	11	11	11
Raffles	—	—	—	—	—	—	—	63	82	633
Calcuttas	—	—	—	—	—	—	—	—	—	9
Other Lotteries	—	—	—	—	—	—	—	867	817	—
Casinos	—	—	—	—	—	—	—	323	962	625
Municipal	—	—	—	—	—	—	—	—	—	946
Raffle	—	—	—	—	—	—	—	—	—	391
Bingo	—	—	—	—	—	—	—	—	—	547
Bazaar	—	—	—	—	—	—	—	—	—	9
NET RECEIPTS	—	—	—	—	—	—	—	—	—	9,783
Provincial	—	—	—	—	—	—	—	5,996	6,826	6,763
Bingo	—	—	—	—	—	—	—	1,437	1,670	1,364
Breakopens	—	—	—	—	—	—	—	593	1,619	2,353
Wheels of Fortune	—	—	—	—	—	—	—	27	36	46
Raffles	—	—	—	—	—	—	—	862	911	1,677
Calcuttas	—	—	—	—	—	—	—	—	—	16
Other Lotteries	—	—	—	—	—	—	—	1,281	1,929	—
Casinos	—	—	—	—	—	—	—	292	663	669
Municipal	—	—	—	—	—	—	—	—	—	2,022
Raffle	—	—	—	—	—	—	—	—	—	1,606
Bingo	—	—	—	—	—	—	—	—	—	399
Bazaar	—	—	—	—	—	—	—	—	—	18
b) Thousands of Constant Dollars										
GROSS RECEIPTS	—	—	—	—	—	—	—	—	—	15,373
Provincial	—	—	—	—	—	—	—	7,160	10,667	11,811
Bingo	—	—	—	—	—	—	—	3,929	4,186	3,938
Breakopens	—	—	—	—	—	—	—	1,077	3,504	5,847
Wheels of Fortune	—	—	—	—	—	—	—	20	22	25
Raffles	—	—	—	—	—	—	—	185	186	1,603
Calcuttas	—	—	—	—	—	—	—	—	—	16
Other Lotteries	—	—	—	—	—	—	—	1,327	1,808	—
Casinos	—	—	—	—	—	—	—	315	991	366
Municipal	—	—	—	—	—	—	—	—	—	1,740
Raffle	—	—	—	—	—	—	—	—	—	1,304
Bingo	—	—	—	—	—	—	—	—	—	860
Bazaar	—	—	—	—	—	—	—	—	—	17
PRIZES	—	—	—	—	—	—	—	—	—	4,797
Provincial	—	—	—	—	—	—	—	4,367	6,418	7,384
Bingo	—	—	—	—	—	—	—	2,793	3,144	2,944
Breakopens	—	—	—	—	—	—	—	771	2,339	4,213
Wheels of Fortune	—	—	—	—	—	—	—	—	—	—
Raffles	—	—	—	—	—	—	—	120	119	483
Calcuttas	—	—	—	—	—	—	—	—	—	46
Other Lotteries	—	—	—	—	—	—	—	673	598	—
Casinos	—	—	—	—	—	—	—	—	—	—
Municipal	—	—	—	—	—	—	—	—	—	1,213
Raffle	—	—	—	—	—	—	—	—	—	555
Bingo	—	—	—	—	—	—	—	—	—	657
Bazaar	—	—	—	—	—	—	—	—	—	1

- figures may not add due to rounding -

Table 1
(Cont'd)

PRIVATE OPERATED LOTTERIES

MANITOBA

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
- Revenue and Expenditure -										
b) Thousands of Constant Dollars (Cont'd)										
EXPENSES	—	—	—	[redacted]	[redacted]	[redacted]	—	—	—	[redacted]
Provincial	—	—	—	—	—	—	—	938	1,378	1,270
Bingo	—	—	—	—	—	—	—	391	644	411
Breakopens	—	—	—	—	—	—	—	67	175	330
Wheels of Fortune	—	—	—	—	—	—	—	8	6	3
Raffles	—	—	—	—	—	—	—	36	39	189
Calcuttas	—	—	—	—	—	—	—	—	—	1
Other Lotteries	—	—	—	—	—	—	—	291	292	—
Casinos	—	—	—	—	—	—	—	144	130	374
Municipal	—	—	—	—	—	—	—	—	—	911
Raffle	—	—	—	—	—	—	—	—	—	171
Bingo	—	—	—	—	—	—	—	—	—	736
Bazaar	—	—	—	—	—	—	—	—	—	1
NET RECEIPTS	—	—	—	—	—	—	—	—	—	1,845
Provincial	—	—	—	—	—	—	—	1,337	2,871	3,916
Bingo	—	—	—	—	—	—	—	743	794	886
Breakopens	—	—	—	—	—	—	—	234	771	1,289
Wheels of Fortune	—	—	—	—	—	—	—	14	14	22
Raffles	—	—	—	—	—	—	—	135	148	712
Calcuttas	—	—	—	—	—	—	—	—	—	1
Other Lotteries	—	—	—	—	—	—	—	559	814	—
Casinos	—	—	—	—	—	—	—	151	221	295
Municipal	—	—	—	—	—	—	—	—	—	889
Raffle	—	—	—	—	—	—	—	—	—	166
Bingo	—	—	—	—	—	—	—	—	—	715
Bazaar	—	—	—	—	—	—	—	—	—	8

– figures may not add due to rounding –

Sources: Manitoba Lotteries and Gaming Licensing Board.

Notes

(1) Manitoba began licensing in 1971, however, data on licences issued by the Lotteries Licensing Board are only available for the years beginning 1977-78 and data on municipal licences are available only for 1979-80.

(2) All licensing and financial figures with exception of fees are for calendar year. In case of fees 1970 refers to fiscal year 1970-71 ending March 31.

(3) The games categories used for compiling statistics have changed over the years. As such the game breakdowns provide only a rough estimate of trends.

Table 4

PRIVATE OPERATED LOTTERIES

SASKATCHEWAN
(1)

	(1970-71)	(1971-72)	(1972-73)	(1973-74)	(1974-75)	(1975-76)	(1976-77)	(1977-78) (2)	(1978-79)	(1979-80)	(1980-81)
– Licensing Data –											
LICENCES	–	–	–	–	–	–	–	1,148	900	1,344	1,737
Provincial	–	–	–	–	–	–	–	938	804	948	989
Raffle	–	–	–	–	–	–	–	537	259	364	634
Bingo	–	–	–	–	–	–	–	96	69	61	71
Casino	–	–	–	–	–	–	–	5	16	13	20
Municipal	–	–	–	–	–	–	–	212	536	932	1,186
Raffle (3)	–	–	–	–	–	–	–	303	396	425	836
Bingo	–	–	–	–	–	–	–	209	140	273	330
Casino	–	–	–	–	–	–	–	–	–	–	–
– Revenue and Expenditure – (4)											
a) Thousands of Current Dollars											
GROSS RECEIPTS (5)	–	–	–	–	–	–	–	7,973	8,854	11,301	16,742
Provincial	–	–	–	–	–	–	–	5,077	6,927	8,732	10,337
Raffle	–	–	–	–	–	–	–	1,849	2,685	3,795	3,780
Bingo	–	–	–	–	–	–	–	1,037	1,389	1,958	1,999
Casino	–	–	–	–	–	–	–	2,191	2,855	3,039	4,558
Municipal	–	–	–	–	–	–	–	2,896	1,922	2,555	6,405
Raffle	–	–	–	–	–	–	–	353	236	401	777
Bingo	–	–	–	–	–	–	–	2,483	1,666	2,154	5,628
Casino	–	–	–	–	–	–	–	–	–	–	–
PRIZES	–	–	–	–	–	–	–	4,196	4,906	6,249	8,381
Provincial	–	–	–	–	–	–	–	2,613	3,833	4,817	5,466
Raffle	–	–	–	–	–	–	–	814	1,092	1,273	1,822
Bingo	–	–	–	–	–	–	–	671	940	1,098	1,000
Casino	–	–	–	–	–	–	–	1,126	1,803	2,446	2,644
Municipal	–	–	–	–	–	–	–	1,583	1,067	1,432	2,916
Raffle	–	–	–	–	–	–	–	113	86	138	226
Bingo	–	–	–	–	–	–	–	1,468	981	1,294	2,690
Casino	–	–	–	–	–	–	–	–	–	–	–
EXPENSES	–	–	–	–	–	–	–	1,319	1,218	1,668	2,208
Provincial	–	–	–	–	–	–	–	960	881	1,373	1,593
Raffle	–	–	–	–	–	–	–	379	278	438	192
Bingo	–	–	–	–	–	–	–	295	341	474	445
Casino	–	–	–	–	–	–	–	271	384	461	956
Municipal	–	–	–	–	–	–	–	376	337	296	616
Raffle	–	–	–	–	–	–	–	37	30	30	88
Bingo	–	–	–	–	–	–	–	337	221	266	528
Casino	–	–	–	–	–	–	–	–	–	–	–
NET RECEIPTS	–	–	–	–	–	–	–	2,458	2,707	3,293	4,952
Provincial	–	–	–	–	–	–	–	1,516	2,107	2,562	2,979
Raffle	–	–	–	–	–	–	–	836	1,315	1,584	1,766
Bingo	–	–	–	–	–	–	–	264	308	420	555
Casino	–	–	–	–	–	–	–	396	468	552	674
Municipal	–	–	–	–	–	–	–	944	600	828	1,974
Raffle	–	–	–	–	–	–	–	203	140	234	461
Bingo	–	–	–	–	–	–	–	688	460	594	1,512
Casino	–	–	–	–	–	–	–	–	–	–	–

– Figures may not add due to rounding –

Table 4
(cont'd)

PRIVATE OPERATED LOTTERIES

SASKATCHEWAN

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
- Revenue and Expenditure -											
b) Thousands of Constant 1971 Dollars											
GROSS RECEIPTS	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Municipal	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Raffle	—	—	—	—	—	—	—	182	122	176	306
Bingo	—	—	—	—	—	—	—	1,288	799	942	2,211
Casino	—	—	—	—	—	—	—	—	—	—	—
Provincial	—	—	—	—	—	—	—	2,424	[illegible]	[illegible]	4,040
Raffle	—	—	—	—	—	—	—	956	[illegible]	[illegible]	[illegible]
Bingo	—	—	—	—	—	—	—	516	464	679	783
Casino	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
PRIZES	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Municipal	—	—	—	—	—	—	—	837	703	826	[illegible]
Raffle	—	—	—	—	—	—	—	58	41	60	89
Bingo	—	—	—	—	—	—	—	779	662	766	[illegible]
Casino	—	—	—	—	—	—	—	—	—	—	—
Provincial	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Raffle	—	—	—	—	—	—	—	517	520	557	637
Bingo	—	—	—	—	—	—	—	247	193	486	783
Casino	—	—	—	—	—	—	—	788	950	[illegible]	[illegible]
EXPENSES	—	—	—	—	—	—	—	682	690	730	867
Municipal	—	—	—	—	—	—	—	199	121	129	221
Raffle	—	—	—	—	—	—	—	19	19	13	33
Bingo	—	—	—	—	—	—	—	176	102	116	286
Casino	—	—	—	—	—	—	—	—	—	—	—
Provincial	—	—	—	—	—	—	—	458	568	601	947
Raffle	—	—	—	—	—	—	—	196	123	192	134
Bingo	—	—	—	—	—	—	—	132	162	207	183
Casino	—	—	—	—	—	—	—	140	183	202	210
NET RECEIPTS	—	—	—	—	—	—	—	[illegible]	[illegible]	[illegible]	[illegible]
Municipal	—	—	—	—	—	—	—	441	384	462	774
Raffle	—	—	—	—	—	—	—	101	67	102	181
Bingo	—	—	—	—	—	—	—	516	314	563	596
Casino	—	—	—	—	—	—	—	—	—	—	—
Provincial	—	—	—	—	—	—	—	753	[illegible]	[illegible]	[illegible]
Raffle	—	—	—	—	—	—	—	642	637	697	694
Bingo	—	—	—	—	—	—	—	136	147	168	210
Casino	—	—	—	—	—	—	—	257	222	241	467

- figures may not add due to rounding -

Source: Lottery Licensing Division, Saskatchewan Consumer Affairs

Notes

(1) Saskatchewan has licensed private lotteries since 1970 but no data are available for the years prior to 1977-78.
(2) Refers to fiscal year ending March 31.
(3) Municipal "Raffle" figures include both "Raffle" and "Wheels" games.
(4) Although "pull ticket" lotteries are presently illegal in Saskatchewan, a recent estimate by the provincial Licensing Division puts annual receipts of such draws at about $7,000,000.
(5) Several prize data figures provided by the Lottery Licensing Division for 1977-78 and 1979-80 have been modified slightly so that the net receipt figures add correctly.

Table 2

PRIVATE OPERATED LOTTERIES

ALBERTA
(1)

	1970	1971	1972	1973	1974 (2)	1975	1976	1977	1978 (3)	1979	1980
- Licensing Data -											
LICENCES	–	–	–	–	3,700	4,136	4,836	6,497	6,237	6,661	6,360
Bingo	–	–	–	–	1,359	1,337	1,653	2,431	2,223	1,341	1,336
Casino	–	–	–	–	138	229	177	377	444	420	429
Raffle	–	–	–	–	2,183	2,381	2,751	2,850	2,933	3,486	2,467
Pull Ticket (4)	–	–	–	–	–	189	369	838	627	394	330
EVENTS	–	–	–	–	21,336	26,304	29,810	33,407	37,305	26,830	36,426
Bingo	–	–	–	–	18,944	20,600	22,719	24,636	28,680	19,382	27,031
Casino	–	–	–	–	209	359	460	700	835	608	633
Raffle	–	–	–	–	2,183	5,668	6,264	7,214	7,918	6,298	6,212
Pull Ticket	–	–	–	–	–	189	369	839	627	394	330
FEES	–	–	–	–	130,238	128,660	327,817	310,293	383,287	690,038	867,369
Bingo	–	–	–	–	70,625	43,719	44,579	31,729	36,330	–	–
Casino	–	–	–	–	13,720	37,073	139,183	226,483	261,830	254,370	235,555
Raffle	–	–	–	–	46,393	21,394	22,316	37,736	40,808	21,678	20,630
Pull Ticket	–	–	–	–	–	76,364	121,737	194,445	226,011	413,790	591,184
- Revenue and Expenditure -											
- at Thousands of Current Dollars -											
GROSS RECEIPTS	–	–	–	–	29,201	32,426	32,895	110,863	130,163	123,089	133,133
Bingo	–	–	–	–	14,904	22,442	24,034	38,130	30,338	23,532	33,213
Casino	–	–	–	–	4,395	11,312	23,767	58,603	67,296	51,463	57,488
Raffle	–	–	–	–	5,302	3,936	5,356	9,176	8,716	8,410	9,142
Pull Ticket	–	–	–	–	–	14,717	36,621	84,894	63,813	39,669	33,308
PRIZES	–	–	–	–	10,379	13,221	14,832	75,103	84,949	87,393	108,734
Bingo	–	–	–	–	5,922	13,643	14,579	18,888	20,618	17,519	24,199
Casino	–	–	–	–	2,948	7,691	16,411	27,393	33,826	37,648	42,677
Raffle	–	–	–	–	1,708	1,784	2,198	3,198	3,018	3,134	3,303
Pull Ticket	–	–	–	–	–	40,101	19,643	25,626	32,481	29,273	38,554
EXPENSES	–	–	–	–	4,236	6,256	8,318	10,283	11,043	14,864	12,387
Bingo	–	–	–	–	2,090	3,636	3,130	2,913	2,953	2,309	2,869
Casino	–	–	–	–	618	1,605	2,595	6,220	6,393	5,040	5,307
Raffle	–	–	–	–	1,578	1,112	1,638	1,761	1,569	1,281	1,227
Pull Ticket	–	–	–	–	–	363	1,094	1,368	1,368	6,234	4,083
NET RECEIPTS	–	–	–	–	6,966	12,969	19,946	25,477	29,168	26,836	32,012
Bingo	–	–	–	–	3,296	3,143	3,291	6,328	6,767	3,924	8,046
Casino	–	–	–	–	824	2,015	6,762	6,992	8,483	8,776	9,904
Raffle	–	–	–	–	3,220	2,757	3,660	4,417	4,112	6,016	4,912
Pull Ticket	–	–	–	–	–	3,033	3,884	7,703	9,784	8,120	10,870

- figures may not add due to rounding -

Table 5
(cont'd)

PRIVATE OPERATED LOTTERIES

ALBERTA

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
- Revenue and Expenditure -											
b) Thousands of Constant 1971 Dollars											
GROSS RECEIPTS	–	–	–	–	18,637	33,606	46,913	57,263	62,012	56,722	60,390
Bingo	–	–	–	–	11,336	13,745	16,121	16,337	16,456	11,178	13,822
Casino	–	–	–	–	3,250	7,251	13,450	19,951	22,333	22,512	22,580
Raffle	–	–	–	–	4,076	3,817	4,276	4,894	4,152	3,879	3,391
Pull Ticket	–	–	–	–	–	8,793	15,066	17,930	20,873	17,353	20,938
PRIZES	–	–	–	–	10,791	21,296	31,051	38,813	42,853	38,231	43,101
Bingo	–	–	–	–	7,344	8,765	9,383	9,761	9,823	7,376	9,505
Casino	–	–	–	–	2,182	4,930	9,287	14,157	16,111	16,469	16,762
Raffle	–	–	–	–	1,264	1,145	1,244	1,633	1,453	1,380	1,376
Pull Ticket	–	–	–	–	–	6,475	11,117	13,262	15,463	12,806	15,457
EXPENSES	–	–	–	–	3,173	3,997	4,821	5,304	5,272	4,752	4,944
Bingo	–	–	–	–	1,362	1,702	1,771	1,505	1,407	1,010	1,166
Casino	–	–	–	–	437	1,029	1,469	2,181	2,380	2,205	2,084
Raffle	–	–	–	–	1,169	905	961	910	738	543	482
Pull Ticket	–	–	–	–	–	361	619	707	747	995	1,211
NET RECEIPTS	–	–	–	–	4,673	8,313	11,042	13,146	13,887	11,739	12,896
Bingo	–	–	–	–	2,439	3,297	2,966	4,270	4,224	2,391	3,160
Casino	–	–	–	–	610	1,292	2,693	3,613	4,042	3,839	3,733
Raffle	–	–	–	–	1,643	1,767	2,071	2,282	1,959	1,757	1,733
Pull Ticket	–	–	–	–	–	1,957	3,330	5,980	4,661	3,552	4,269
- figures may not add due to rounding -											

Source: Gaming Control Section, Attorney General of Alberta.

Notes

(1) Alberta has licenced private lotteries since 1970 but no data are available for the years prior to 1974.
(2) Refers to calendar year.
(3) 1978 data are for fourteen months, including the first two months of 1979. 1979 data are for ten months only, accounting for the apparent drop in activity. A spokesperson estimates that had the regular calendar year been used gross receipts for 1979 would have been in the order of $155 million.
(4) Pull ticket licences were not issued until 1974. Because pull ticket licences are for a one year period, data is first recorded for 1975.

Table 6

PRIVATE OPERATED LOTTERIES

BRITISH COLUMBIA
(1)

	1970-71	1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78 (2)	1978-79	1979-80 (2)
- Licensing Data -										
LICENCES (No.)	–	–	–	–	–	–	–	1,917	2,638	2,844
Bingo	–	–	–	–	–	–	–	961	838	931
Ticket Raffle	–	–	–	–	–	–	–	961	1,341	1,365
Casino	–	–	–	–	–	–	–	332	599	463
Concessionaire	–	–	–	–	–	–	–	42	16	15
Social Clubs	–	–	–	–	–	–	–	21	21	18
Agricultural Fairs & Ex.	–	–	–	–	–	–	–	6	8	7
FEES (Current $)	–	–	–	–	–	–	–	149,242	357,321	321,828
- Revenue and Expenditure - (3)										
a) Thousands of Current Dollars										
TOTAL RECEIPTS	–	–	–	–	–	–	–	25,795	20,094	19,096
NET RECEIPTS	–	–	–	–	–	–	–	6,190	7,906	11,423
b) Thousands of Constant 1971 Dollars										
TOTAL RECEIPTS	–	–	–				–	12,816	9,573	7,699
NET RECEIPTS	–	–	–				–	3,173	3,767	4,603

- figures may not add due to rounding -

Source: B.C. Lotteries Branch, Ministry of Provincial Secretary and Government Services.

Notes
(1) B.C. has licensed private lotteries since 1970 but no data are available for the years prior to 1977-78.
(2) Refers to fiscal year ending March 31, 1978.
(3) Revenue and Expenditure data include only charitable and religious lotteries, i.e. exclude concessionaires.

Table 7

IMPLICIT PRICE INDEX

Fiscal Year	Calendar Year	I.P.I.
1970-71	1970	94.2
1971-72	1971	100.0
1972-73	1972	107.2
1973-74	1973	116.4
1974-75	1974	135.1
1975-76	1975	156.0
1976-77	1976	176.7
1977-78	1977	193.5
1978-79	1978	209.9
1979-80	1979	228.6
1980-81	1980	254.6

NOTES

Source: National Income & Expenditure Accounts, Statistics Canada, Cat. 13.001

Table 8

STATISTICAL SYMBOLS

The following statistical symbols are used in the Tables:

Figures not available	..
Figures not appropriate or not applicable	...
Nil or zero	-
Amount too small to be expressed	—

LOTTERIES AND THE ARTS
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Appendix D

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General

LOTTERIES AND THE ARTS
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Appendix E

A LOTTERIES BIBLIOGRAPHY

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GOVERNMENT AND OFFICIAL DOCUMENTS

Canadian Lottery Corporations and Government Agencies. Most of the lottery corporations and government agencies listed in Appendix D publish annual reports, financial statements or other documents which are available upon request. Many of the documents which have been used are identified in the footnotes to the main report. Information contained in personal correspondance from those organizations has not been referenced but can be duplicated by contacting the appropriate bodies.

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