

Politics: Taxes, Lotteries and Reform

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STAFF GONZO

It is Sunday now which means deadlines are becoming less and less important to me. I was wondering how long my writing attitude would take to catch up to my homework attitude. Well, as the old axiom goes, it is like mind over matter. If you don't mind then it doesn't matter. And nothing has bothered me yet this century except these political stories that caught my eye and led me to this slant...

Kiss the NHL...

In Canada
GOODBYE. Ottawa Senator owner Rod Bryden was the big mover in trying to create more equitable conditions for Canadian teams relative to American ones. The 6 surviving teams have contributed about \$1 billion in taxes to three levels of government over the last five years. What they were looking for was some tax relief (i.e. less taxes paid vs. a subsidy which is the government giving someone money). The federal government approached this in the same way it approaches infrastructure projects. If municipalities and provinces will kick in then so too would Ottawa. They waited to see if others would go to bat. When they did,

they followed through with a modest tax break that would cost Ottawa a maximum of \$20 million a year for three years provided the NHL, provinces, and municipalities contributed as well. Or better put, that would mean \$20 million dollars less would be put into the treasury through taxation. Unfortunately, in this day and age, perception is reality. As per usual, the opposition parties got up and distorted what was really going on. The harsh truth is that the way the market is set-up, Canadians will always be at a competitive disadvantage (which is why the government gives money in the forms of subsidies and tax breaks to all kinds of sectors in the economy- except hockey). Their tax burden is significantly higher than their competitors'; but the real difference and problem is when it comes to revenues and expenditures. The revenues teams generate (from the box office and radio/TV rights to name the bigger ones) are in Canadian dollars. Yet, the majority of their expenses (predominantly player salaries) are paid in US dollars. Last time I checked, one Canadian dollar is worth 70 American cents. The gap that represents is "profit/loss." Canadian teams have not made money in awhile. Don't expect to see any white knights popping up looking for a way to burn millions of dollars per year to prop up a team. But let us forget the dollars and our senses for a minute. Hockey is a Canadian sport. As Canadians we pride ourselves in being the best at a sport we created. The reality of this millennium is that we are losing that advantage. If we do not

stand up behind this now, we will lose it and become net losers. The cost of this amounts to about 67 cents per Canadian and I know a majority of Canadians would be prepared to pay for this. Cause the tax break they could have given here might end up translating into a tax increase when that \$200 million per year stops flowing into three levels of governments.

Make A Bet...

That Atlantic Lotto will continue to be lucrative. Over the weekend, the rest of the Maritime Premiers called Nova Scotia Premier John Hamm's bluff and renegotiated how they divide up the booty known as Lotto revenues. Hamm had threatened to pull out of the partnership and set up his own license to print money. In

a compromising and stormy environment here in C-Town, this agreement was hailed as another example of Atlantic co-operation. Nothing like a gun to one's head to make folks more accommodating. Usually, I wouldn't be too concerned about lotto but here lies a potential solution for the NHL. Initially, one proposal had using revenues from this source as an option. Another one was advertising would be sold on the lotto ticket. In both cases, money would go to teams. Through Sport Select, all provinces raise vast sums of money off people gambling on sports the league provides. Why not use that revenue as a direct subsidy to teams to at least make up for the dollar imbalance shortfall. But there lies the problem. As part of the nature of government, giving up

a cash cow is akin to giving up heroin for a junkie. And a Canadian junkie without hockey could potentially be an ugly thing.

Strange Things Are...

Happening on Canada's right wing. The Reform party is gearing itself up for the United Alternative (UA). If successful, all gains made by the party will be wagered on this new entity. Preston Manning has put his own political neck on the line warning/promising that if the UA does not fly, he will leave politics. The other part of the right is Joe Clark's Conservatives. The Tories are slowly falling apart under Clark's no risk formula. Clark is hoping to pick up support from disenchanting Quebecers. To do this, he has come out against Prime Minister Jean Chretien's Unity Bill. The Bill aims to clarify the

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Ashley MacIsaac looks for some rosin for his bow at the ECMAs.