

**NO TAX
FOR
PAN AM!**
RESPONSIBILITY
IN GOVERNMENT

NO-TAX FOR PAN-AM

VICTORY!

Dear Mr. Jelinek:

As a taxpayer in the City of London, I am concerned about an application to your federal ministry to use federal tax money for London, Ontario's bid for the 1991 Pan-American Games.

I am opposed to any federal grants from tax sources for this kind of event. In these times of heavy debt and limited tax resources, the private sector and lottery revenue should be the sole sources of funding for these kind of projects.

Name _____

Address _____

City _____

Postal Code _____

**NO
STAMP
NECESSARY**

MINISTRY OF FITNESS & AMATEUR SPORT
OTTO JELINEK, M.P.
CONFEDERATION BUILDING
HOUSE OF COMMONS
OTTAWA, ONTARIO
K1A 0A6

Ottawa reneges on Games money

By Tony Hodgkinson
of The Free Press

Gleeson thinks 'it's all over' for London

London's ambitious plans to capture the 1991 Pan-American Games were torpedoed Wednesday when the federal government imposed a five-year freeze on financing for international sports events in Canada.

A disappointed Mayor Al Gleeson, who launched the almost \$100-million Games idea nearly two years ago, said from Calgary where he is attending a summit meeting of municipal leaders: "I think it's all over."

He said the freeze announced by Fitness and Amateur Sports Minister Otto Jelinek had pulled the plug on the Games because "there is no way" London can raise from the private sector about \$36 million to make up the federal government's

share of the sports extravaganza. "I have said if the funding is not there, the Games won't go on. Unfortunately, the federal government is out of it."

Other top city politicians echoed his view, with the deputy mayor, Controller Orlando Zamprogna, agreeing with a reporter that without assurances of federal money it "sounds like the death knell" has tolled for the Games.

He believed the Games are "out of the question" because even if other sources of money are tapped, or Ottawa agreed to financing after 1990, the city could be put in the position of having to pick up any shortage.

Controller Joe Fontana said "it doesn't look like we have a chance of getting the Games. It seems the only government that doesn't want to participate in a Canadian venture... is the federal government. I find that unbelievable."

Controller Art Cartier said "there is no way we can go in on a \$36-million deal."

Before the political realities of the Ottawa financial freeze set in, the city's Games bid committee vowed at a city hall press conference to push ahead with the proposal.

"We are not quitters and we are not prepared to quit," said committee chairman Gordon Hume,

flanked by eight members of his blue-ribbon group charged with the quest for the Games.

The members applauded when Hume said the committee would continue with its preparations for the Games — a determination not to let go to waste nearly two years of what he described as an "extremely hard, onerous, trying, difficult time."

Yet even though the committee steeled itself for a fight to the finish, the mayor believed it wouldn't serve any useful purpose other than to confront Jelinek directly for the "rationale" behind the sudden announcement, which came only weeks before the committee was to

present a financial package to city council.

Gleeson said he would be at a private breakfast meeting of the Games committee Friday to discuss strategy, including a statement by Hume that the committee is eyeing the 1994 Commonwealth Games.

Hume said the Commonwealth Games have always been considered a reasonable option to the Pan-Am Games as part of what he called "our mandate... to bring in a multi-sports event to London" in the 1990s.

He said that despite Jelinek's announcement, he wants to explore a variety of financing options, including whether provincial, municipal

and private contributions can be used "up front," with the federal government kicking in with its share after the freeze on financing international sports events ends April 1, 1990.

Under the "hosting policy" announced by Jelinek in Ottawa, the moratorium is part of the government's fiscal restraint measures. The policy will not affect Ottawa's commitment to the 1988 Winter Olympic Games in Calgary, expected to cost \$200 million.

London would need money to begin construction of facilities for the Pan-Am Games no later than 1987, but the new cabinet policy rules out any federal contributions until the freeze expires and puts provincial financing in jeopardy. Ironically, Hume told those attending the

● See Page A2, Col. 1

THANKS!

We did it! Although we can't take all the credit, your and my input played a decisive factor in the federal government's decision to cancel taxpayer financed subsidies of 'international sports events' (including the 1991 Pan-Am Games Bid), we do know that Fitness & Sport Minister Otto Jelinek received over 500 cards and letters stating opposition to federal tax funding of the Games.

Well, it looks like somebody was reading those cards we asked you to send in! **Congratulations!**

The Pan-Am Bid Committee, though seriously set back by the federal government not bending to their expensive scheme, will still present their package **-and request for your TAX dollars** - to Council in a few weeks. Be sure to call your aldermen, controllers and express your opposition to building anymore white elephants (Often called erroneously as 'needed facilities') or tax-paid Games (Pan-Am or otherwise).

Of course, Gord Hume & his Bid Committee wouldn't for a minute consider cutting back all the capital costs (\$60 million of the \$100 million costs) and run a more modest Games financed by corporate sponsorships and lottery money. No, now he wants the *Commonwealth Games!* By waiting until a 1994 event, Gord assumes he can get his good old reliable welfare-for-vested interests money from the government! The Bid Committee isn't interested in the holding the Pan-Am Games, they just want an excessive, no-strings attached hand-out!

This lust for your tax money won't abate with the defeat of taxes at the federal level though. The Bid Committee will try to wheel & deal loans, grants, other hand-outs, they'll scale down their bid slightly (which rose 4.5 million in the last 2 months alone!), and anything else -but scale down the capital costs and raise the money themselves and with lotteries! And failing that, Gord

Hume is hell-bent on getting what he wants, so that means any international sports event he can get his hands on. The next one is the *Commonwealth Games of 1994!* **And he'll be looking for your money -without your consent.** Do not assume then we are in the clear because of one victory. We must still convince City Council to steer clear of this nonsense before it even gets to this stage ever again.

In this newsletter, which was written & prepared before the news of Ottawa's refusal to subsidize these international extravaganzas any further, there are some interesting articles about how Indianapolis citizens defeated taxes for the 1987 PAN-AM GAMES in Indianapolis, how B.C.'s EXPO 86 is just part of the continuing (and sad) saga of red-ink EXPOs, how the Edmonton Games left a legacy of white elephants and the burdensome debt of the Calgary Olympics (1988).

Regardless of what happens in our battle against tax financing for Pan-Am, these are valuable lessons for us if we want to preserve this fine City.

I thank all new supporters for sending in their NO-TAX for PAN-AM card. If you offered to make a contribution, please remember that items put out by myself & the NO-TAX committee are in part responsible for the federal government not spending \$35 million on the Games, which may result in saving us another \$70 million minimum (provincial & local), and who knows what other catastrophic costs. Our cards to Mr. Jelinek helped give him the confidence to go ahead with his new policy, knowing he had the support of over 500 Londoners.

To all of you who have contributed, wrote letters to your aldermen, MPPs, MPs, the Free Press, and especially all of you who sent our cards to Otto Jelinek (a reprint of card on reverse), THANK YOU! We did it!

Will Keep In Touch,
Marc Emery
No-Tax for Pan-Am

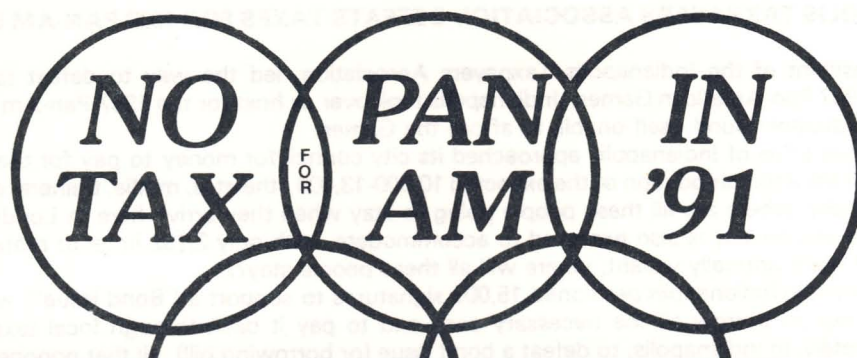
p.s. incidentally, the news coverage of the federal government's refusal to prop up this binge called Pan-Am largely reflected an *"isn't it terrible what the government did"* and *"the federal government reneged on its promise to give money"* or *"The Blue Ribbon Bid Committee worked oh ever so hard and now look what the government did..."*, etc. Very few stories reflected the fact most Londoners NEVER wanted tax money AT ANY LEVEL spent on the Games, and that Londoners were in support of the federal policy.

A straw poll of the first 100 hundred callers on SPORTSCALL (RADIO 98) found 74 in support of the government's new policy while 26 opposed it, virtually 3 TO 1 against taxes for the Games. This ratio is the same as it has been since last year, but City Council & the Free Press refuse to acknowledge it.

Naturally, the Free Press, in shedding crocodile tears for the Bid Committee, didn't even call us for a comment.

So much for the taxpayer being heard from (So write them a letter!).

**GAMES,
YES**



**TAXES,
NO!**

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RESPONSIBILITY IN GOVERNMENT
PHONE 433-8612

P.O. BOX 2214, STATION A
LONDON, ONTARIO N6A 4E3

MORE-TAX FOR PAN-AM COMMITTEE LAUNCHING OWN DOOR-TO-DOOR CAMPAIGN

City Council to vote early in July on Taxes for Games

The *More-Tax* for Games Bid Committee is delivering its own city-wide door-to-door brochure in a campaign aimed at getting the public's support in a manner quite similar to our *No-Tax* campaign, by encouraging letters to the editor and phone calls to elected officials in support of the tax-for-Games point of view.

The campaign will begin in mid-June and peak in early July when the Bid Committee is expected to have its final package ready for Council approval. Once again, City Council will be asked (1) to approve local tax financing for the Games, and (2) whether it wishes to have the city host the Games.

Despite what you may have heard, the city *can* go back to the Bid committee and offer to host the Games, but withhold local tax dollars (as is being done in Indianapolis in 1987, and as *was* done in Los Angeles with the 1984 Olympics). Under these circumstances, the Bid Committee would *have* to raise the \$10 million privately (as we've been insisting), or cut capital costs, which would probably be a wise step in either case.

Don't be fooled! The issue has *never* been a matter of "Games" versus "No Games." The Bid Committee still has enough time to raise \$10 million through pledges and to revise its budget for capital expenditures.

Among the points promoted in the *More-Tax* Committee's brochure will be these:

(1) that the cost will "average" only \$54 per "household" --- but costs for *what?* Never mentioned are the local costs of accommodating the Games, or the inevitable doubling, tripling, etc., of these costs. Remember the city's past record in intervention of this nature.

(2) that the Games will provide jobs, tourist benefits, "needed" facilities, etc. But if that were true, why is the Bid Committee after our tax dollar? Why aren't *willing* investors lining up to take advantage of these incredible "benefits"? Why are the supposed many beneficiaries so unwilling to raise the necessary cash on a *voluntary* basis over the next five to ten years themselves?

(3) that local businesses will boom, despite repeated evidence to the contrary and without explaining why these businesses are not paying for the Games through sponsorships.

(4) that essential services won't suffer, whereas the reality of the situation shows that essential service budgets are showing increased restraint at every level while our cash flows freely to special interest luxuries.

(5) that there is great support for the Games --- but obviously not enough of it to find the courage to raise the money themselves.

The one question the Bid Committee will never address is why, with all the effort going into its city-wide brochure, its conniving, convincing, arm-twisting, ass-kissing and selling techniques targetted on the taxpayer (with his own money) to gouge even more money out of the taxpayer pocket, why haven't they used some of this effort to try to raise the \$10 million in voluntary pledges? Goodness knows, it could have been done (and still can), as our past newsletters have shown.

So why not? Because, to the Pan-Am Bid Committee, the taxpayer is *insurance*. Once the city is hooked into the project, the taxpayer is an unending source of income. Once we've placed our initial investment (or "bet"), when costs go up, or the project is delayed, or festivals, conventions, etc. are added, we'll have to protect our "investment" (or up the ante, as it were), constantly increasing the taxpayer's burden.

IF, however, the city approved of hosting the Games, but *disapproved* of using tax dollars for the venture, then the Bid Committee would *have* to keep a careful eye on costs and you can bet, like the Los Angeles Olympics, the project would stay on budget. When you receive their brochure, please write another letter to the editor supporting NO TAX for Pan-Am. Call your aldermen and controllers once again. Wear your NO-TAX button (if you need another, call us).

As always, our office is staffed full-time and we are eager to provide you with information and facts to enable you to write convincing letters or to converse knowledgeably with your elected representatives or friends. We'll be inviting you to attend City Hall sometime this summer, so you can be in the Gallery when the Pan-Am vote comes up. Free coffee, sandwiches, and reading material will be provided to help make your time in the Gallery as least irritable as possible. We'll call you by phone to inform you of the time and date and we hope you can make it. Your appearance on this historic evening is most important.

INDIANAPOLIS TAXPAYERS ASSOCIATION DEFEATS TAXES FOR 1987 PAN-AM GAMES!

Carl Moltawn, president of the Indianapolis Taxpayers Association, led the way to defeat tax funding in his municipality for the 1987 Pan-American Games. Indianapolis took over as host for the 1987 Pan-Am Games when the original host, Quito, Ecuador, found itself unable to afford the Games.

The Pro-Games Committee of Indianapolis approached its city council for money to pay for the capitalization of facilities, as well as for the accommodation of the expected 10,000-13,000 athletes, media, trainers, coaches, officials, judges, etc. (Incidentally, where are all these people going to stay when they arrive here in London? With all the mega-numbers of tourists this city is also expected to accommodate, with only 2,132 hotel or motel spaces in total, and with only half of them normally vacant, where will all these people stay?)

The Pro-Games people in Indianapolis petitioned 15,000 signatures to support a "Bond issue", which would have allowed the city council to borrow all the necessary cash and to pay it back through local taxes levied against homeowners. Fortunately, in Indianapolis, to defeat a bond issue (or borrowing bill), all that opponents must do is to collect one more signature than the number submitted in favour of the bond initiative. In this case, it would have been 15,000 plus one. Well, the taxpayers of Indianapolis rallied together and managed to petition 30,000 signatures against the scheme within three weeks, the greatest number opposing a bond issue in the history of Indianapolis. Indianapolis taxpayers had much less time to do the job than we have had, given the fact that their Games are scheduled to be on in two years. Thus, the Pan-Am Bid Committee of Indianapolis is now seeking voluntary ways of financing the Games in its city of 750,000 (three times the size of London, whereas the 1983 Pan-Am host, Caracas, Venezuela, had a population 11 times the size of London --- over 3 million).

Taxpayers: 1; Freeloaders: 0.

NO-TAX FOR PAN-AM COMMITTEE RECEIVES OVER 1,000 CARDS AND LETTERS OF SUPPORT

A great outpouring of volunteers, enthusiasm, support and donations has kept our computer buzzing. However, now that 45,000 *No-Tax for Pan-Am* brochures have been delivered, with over 1,000 supporters on file, it simply isn't economical (and therefore advantageous to our cause) to publish a newsletter every month. This, our fifth issue, has been hand-delivered to your home since postage costs alone would have exceeded \$640, and printing costs will exceed \$400 for just this newsletter.

This is our first newsletter in four months. We have been continuing to deliver our basic 8-page NO-TAX for PAN-AM brochure, gathering up more and more information on other Pan-Ams, Expos, Olympics, etc., so do not think because we are publishing at greater intervals we are easing up. As you can see, too, this newsletter is 3 times larger than our previous issues.

In the last 4 months also, after the surge in propaganda in the Free Press in January and February, there was considerable backlash from taxpayers as letters began once again to pour into the Free Press, only two supportive of the Games, over 25 opposed to TAX funding, making over 150 letters to the editor opposed since last May, and only 20 in favour.

I was also on the Open-Line program in February to defend the No-Tax position.

In the meantime, the London Chamber of Commerce was very upset when their poll on Pan-Am revealed that fully two-thirds of all adults in London were opposed to taxes for the Games. The Chamber is very much in favour of Pan-Am coming to London at the taxpayers' expense, and they, along with members of the Bid Committee and the London Development Advisory Board, are sponsoring the MORE-TAX brochure that goes out in mid-June in order to alter these statistics.

Our own extensive telephone poll found 70% of all adult Londoners opposed to local taxes for the Games, with opposition highest in Ward 2 (80%), Ward 5 (76%), followed by Ward 4 (74%), Ward 6 (67%), Ward 3 (66%), Ward 1 (65%) and Ward 7 (62%).

Pleasingly, all those who claimed they had received our 8-page brochure in the mail were against taxes for Pan-Am, but only 30% of those who we know received the brochure bothered to read it (or even remembered getting it), even though most of those people also opposed taxation for the Games. Some people even assumed that our brochure was in *favour* of the tax-supported Games so they threw it out!

During our telephone poll we did not identify ourselves as *No-Tax* supporters and we even disqualified anyone we recognized as one of our supporters. With fairly, evenly balanced questions being asked, over 350 completed questionnaires were accumulated out of 800 homes called. The balance declined to participate for a number of different reasons; either they didn't care, weren't familiar with the issue, or were simply too angry about the issue to respond

OUR PAN-AM PHONE SURVEY FINDS 70% OPPOSED TO TAX FINANCING FOR GAMES!

Meanwhile, the Pan-Am issue has been less prominent in the media because both the federal and provincial governments are determining the degree of assistance they are willing to offer, which will be a significant element of the Pan-Am Bid Committee's submission to City Council in July. As previously mentioned, that's the time when Council can approve, turn down, or ask for revisions in the final financial package. Council will then again approve the \$10 million taxpayer-paid endowment fund.

continued

We cannot know at this time what kind of commitments the federal or provincial governments are willing to offer, but both Premier-to-be (?) David Peterson (Liberal MPP, London Centre) and MPP elect Joan Smith (London South), are only willing to offer lottery money to the venture. We certainly have no objection to this kind of financing since it is (a) voluntary, and (b) people know what their money is earmarked for when they buy these lottery tickets.

Interestingly, defeated Conservative MPP Gordon Walker (London South) failed to respond to the over 500 cards he received from our supporters, and during the last provincial election campaign he, Bill Rudd, and George Avola all proclaimed their support of taxation for the Games. And we all know what happened to them. On the other hand, Joan Smith's dramatic switch against the tax-supported Games proved much to her advantage.

At the federal level, it currently appears that the government is likely to give some tax money to the Bid Committee, although in my meetings with Jim Jepson, he let me know that he would prefer to see private sponsorship of the Games instead of tax financing, but he wasn't too willing to be vocal about it. Tom Hockin favours tax money for the Games and we don't have a reading from Terry Clifford --- but we will all know where they stand in about a month.

In any case, the Bid Committee must accumulate at least \$70 million in commitments from the provincial and federal governments or it will have to cut back on capital costs (preferable under any circumstances) or simply

cancel their bid. As we have illustrated before, the Games could be held with as little as \$30 million, if all the facilities in the region were put to full use.

Incidentally, during the past provincial election, a telephone poll sponsored by Joan Smith's campaign revealed that 85% of Londoners in London South opposed taxation for the Games. Her election, in conjunction with the defeat of George Avola, has had an effect on changing the local political scene, which in turn will have an effect on the Pan-Am issue.

Alderman Joe Fontana, strongly in favour of taxes for the Games, was appointed to Board of Control. This means that there are now three Controllers plus the Mayor in favour of taxes for the Games versus one Controller (Art Cartier) against taxation for the Games. To replace Joe Fontana, defeated 1982 incumbent Bernie MacDonald was appointed to Council while Ted Wernham (of London Life) replaced George Avola in Ward 7.

Since the London Labour Council has endorsed the tax-financed Pan-Am Games, and since Mr. MacDonald is a card-carrying union representative, we can expect him to support their position on this issue. At this time, Ted Wernham is also leaning towards tax-financing for the Games. When candidates for the Council vacancies were being considered, Pan-Am figured highly into the questions asked, and a "good" response was a "pro" Games response. Democracy at work, I guess.

The current Pan-Am vote line-up on City Council looks like this:

	YES TO TAX	NO	?
Mayor			
Al Gleeson	x		
Controller			
8 Ron Annis	x		
Joe Fontana	x		
Orlando Zamprogna	x		
Art Cartier		x	
Alderman			
John Irvine	x		
7 Wilma Bolton		x	
Frank Flitton		x	
Bob Beccarea	x		
Pat O'Brien		x	
8 Bernie MacDonald	x		
9 Andy Grant		x	
Alf James		x	
Grant Hopcroft	x		
Gary Williams	x		
Janet McEwen	x		
Tom Gosnell	x		
9 Gord Jorgensen	x		
Ted Wernham			x

7-likely to be elected to Board of Control.
8-like to be defeated in the next election.
9-no intentions of running again.

As it now stands, we can expect a 12-6 vote in favour of taxes for Pan-Am (or 12-7 at best), unless we really pack City Hall and call our aldermen and Controllers before the vote. Send them letters as well.

If the fall municipal election turns out as we expect, four members presently on Council will no longer be there: Bernie MacDonald, Andy Grant, Gord Jorgensen, and

Ron Annis. If all four of these people were replaced by *No-Tax* for Pan-Am candidates, then another vote taken in December would result in a 10-9 outcome *against taxes* for the Games, or better.

Who can really tell? If a groundswell of disapproval comes down hard in November, other More-Tax Councillors might be defeated as well --- or perhaps they'll begin to see the light.

WE WERE RIGHT! --- AGAIN!

In our original "No-Tax" brochure that was delivered city wide, we commented on other municipal ventures that always ended up costing more than Council originally told us, or cost us money when they told us it wouldn't cost any. Invariably, throwing more money at plans gone astray never creates a better situation that existed before.

Let's recap some events that occurred since our original report in the brochure:

Centennial Hall: The repairs to make Centennial Hall viable (for the umpteenth time) were to have cost \$291,000, but the lowest tender received was for \$392,000 for a seriously smaller job, leaving us with a 45% increase in costs with a 25% decrease in expected facilities for the money. Thus, had the city gotten what it expected, we would have been faced with a net increase in costs of about 70%, and this represents only *part* of the on-going tax supported improvements made to Centennial Hall.

Art Gallery: In addition to the \$375,000 it received last year, this perennial money loser received a \$400,000 local taxpayer grant in 1985. On top of that, it receives \$135,000 from the province and despite all of this, it is going to have a substantial deficit. And nobody visits the Gallery anyway.

Energy From Waste Plant: The city's original cost was to have totaled no more than \$6 million, but a month ago it was revealed that the cost had jumped to \$9.5 million, a 58% increase. The plans may have to be scrapped, but at least \$6 million (and no doubt counting...) will have to go into the Greenway Pollution Plant for improvements.

The Horton Street Extension is \$1.2 million over budget, but expect this to rise even further as homeowners and businesses contest property settlements, and soil and drainage reinforcements soak up even more hidden costs.

What all this proves is that, not only do Londoners rarely know what anything will cost them as taxpayers, but most often even our Councillors do not. In fact, they shouldn't even be involved in many of the things they're doing, since projects like Gallery financing, Centennial Hall, etc., should be the responsibility of private corporations and sponsors --- not the taxpayer.

So when you hear about the \$90-100 million-plus project like Pan-Am 1991, consider the potential cost increases that could occur over the next seven years.

MORE-TAX FOR GAMES LOBBY OPENS BOOTH IN CITY CENTRE MALL

After receiving the shock of the Chamber of Commerce survey that showed what every survey so far has shown --- that a large majority of Londoners do not want their taxes used to prop up the Games --- some members of the Chamber, in cahoots with the Pan-Am Bid Committee and the London Business Development Advisory Board, have rented space and set up a booth in City Centre Mall to promote the Games. We're convinced that if the Pro-Tax people spent as much effort raising the \$10 million privately as they have spent on their slick booths, buttons, media propaganda, speakers bureau, and their upcoming door-to-door brochure campaign, they'd probably already have their \$10 million in pledges from corporations, athletic groups, etc., who apparently see themselves as the beneficiaries of all this.

In this way, they could be creating a *co-operative venture* (and certainly a more efficient, responsible one) instead of embarking on such a divisive one where, as *Free Press* reporter Tony Hodgkinson predicted, Pan-Am will be *the* election issue of the 1985 municipal election in London.

The only reason for the Bid Committee's adamant refusal to seek private funding and reduced capital outlay is because they know they can hook the city in for a lot more than we are currently being told, particularly with the possibility of a CFL franchise (a real mega-buck loser), festivals, ethnic fairs, and what have you. This is the same sucker play that is being used in Vancouver to justify *Expo '86* and which is used whenever a grand scheme (full of intangibles like "pride and glory", blah, blah...) can't fly without taxpayer blood.

We reprint how *Expo '86* has blossomed from a \$78 million 100th anniversary for Vancouver to a World Trade Exhibition (reprinted from *Report on Business* magazine, April 1985):

The fair was originally conceived six years ago as Transpo 86, a modest special-category exposition to celebrate the city's 100th birthday. Initial cost estimates in 1979 ranged around \$80 million, but that swelled to \$150 million the next year, to \$367 million by 1982 and then to \$802 million. At the same time as the fair was mushrooming in size, scope and budget, the province's economy was crumbling and the Government was clamping down on other expenditures, wiping out thousands of civil service jobs and chopping at social services. Meanwhile, Bennett and Expo chairman Jim Pattison kept promising that the exhibition would leave

no debt to taxpayers. Still, suspicion mounted as Expo's books remained closed and the public was asked to accept the official version of the fair's finances on faith. Belief was not made any easier by commentators who noted that showcase world expositions have a way of running out of control. As one former senior fair executive put it, "It will probably be a first-class fair, but I'm scared bloody witless at what the deficit will be. . . . The bigger the fair, the bigger the bill—and the bigger the deficit."

Pattison compares Expo to a Broadway production: it could get panned by the critics and turn into a financial disaster, or it could be immensely popular and

successful. He conceded that the exhibition will run a deficit of \$311 million, but he was only prepared to admit to an actual operating loss in late January. Prior to that, a former senior fair executive reported that a \$300-million deficit estimate was tabled at a board meeting 15 months ago but no official confirmation was forthcoming. According to that executive, the basis of the fair's budgeting is \$491 million in revenue from 13.75 million projected visits, rents from exhibitors, food and corporate sponsorships, against spending of about \$800 million.

**CONTROLLER RON ANNIS SUGGESTS WAYS FOR BID COMMITTEE
TO DEAL WITH "IGNORANT, MISINFORMED" OPPOSITION**

Controller Ron Annis, an undisguised manipulator of Council affairs favouring Big Business and Big Interests, wrote this list of suggestions to the Pan-Am Bid Committee to help in their campaign to convince Londoners to swallow taxes for the Games. Boot this guy out in the fall!

5

March 19, 1985

Chairman and Members
Pan Am Games Committee.

As you are hopefully all aware, I am a strong supporter of the Pan Am Games. I have noticed, however, with increasing dismay, that both the proponents and opponents of the Pan Am Games are overwhelmingly ignorant of, or misinformed about, both the proposed costs and the accruing benefits of the Games to Londoners.

I would like to suggest a more aggressive marketing plan to be undertaken. Specifically, you might consider some of the following ideas to supplement your current marketing program:

1. That arrangements be made to rent spaces at the Western Fair Grounds during the Western Fair to "sell" the Pan Am Games to Londoners. I am enclosing a copy of a letter from the General Manager of the Western Fair outlining costs and availability. You will note that over a third of a million people visit the Fair each year.
2. That the London Development Advisory Board be asked to assist in privately arranged funding to allow door to door delivery of a brochure to properly explain the Pan Am Games.
3. That service organizations, clubs, boards and large companies be asked to dispatch Pan Am literature to their members or employees outlining the costs and benefits.
4. That the London Free Press be invited to institute a "Pan Am Column" in the newspaper, possibly written by Tony Hodgkinson, or someone equally conversant.
5. That a series of newspaper advertisements be developed, showing projected financing costs and benefits of the Games. Again, this could be a project of the London Development Advisory Board and these figures could be broken down on a per capita basis.
6. That T.V. London be invited to give the Pan Am issue air time explaining and informing, rather than debating, the proposal.
7. That the Chamber of Commerce be invited to provide Pan Am Games information to its members in one of its monthly papers.
8. That application be made for Wintario Grants' funding, if this source is not included in the fund-raising areas presently contemplated.
9. That enquiries be made to the Province with the idea of London holding a Pan Am Games Lottery.

I would like to congratulate the Committee on the fine work it has done to date and to offer whatever help I can. I hope some of these ideas are helpful and wish you every success in your ongoing efforts.

Sincerely,



Ronald C. Annis
Controller
Attach.

THE DISEASE IS SPREADING...

This summer, the Canada Summer Games will be held in St. John, New Brunswick, and in Saskatoon in 1989. Ottawa is considering the Commonwealth Games for 1990. Here is an article written in the *Ottawa Citizen* which reflects on the costs of the Commonwealth Games (1978) and the University Games (1983) held in Edmonton.

Can we afford the Games?

Region can learn much from Edmonton's story



Should Ottawa-Carleton make a bid for the 1994 Commonwealth Games? Edmonton staged a highly successful Games in 1978, but since then Commonwealth Stadium has been used only by the Edmonton Eskimos and a few summer rock concerts. A velodrome is also under used. Critics fear the Games' legacy here would be annual deficits from operating white elephant stadia.

Landing the 1994 Commonwealth Games could be a mixed blessing for Ottawa-Carleton — just ask Edmonton.

The city of 500,000 is justly proud of its highly successful 1978 Games. And ex-mayor Ivor Dent says the Games transformed Edmonton into "a major-league city." But the legacy of the Games is several white-elephant stadia that are under used and consistent money-losers.

Boosters like Dent insist the debt-ridden facilities lose no more money than art galleries and museums and serve a higher percentage of the citizenry. Also, Dent says, forking over tax dollars for arenas' operating costs is part of the price of living in a cosmopolitan city.

And Edmonton's example is providing fodder for critics of the likely bid by Ottawa-Carleton for the 1994 Commonwealth Games.

A feasibility study prepared for Ottawa-Carleton notes that after Commonwealth Stadium was built beside existing Clarke Stadium in Edmonton, "Clarke became a money-losing failure."

"Now," the study says, "the two stadia together cannot cover the operating and maintenance costs of the new Commonwealth Stadium." It also suggests that a splashy new stadium for Ottawa would mean "the death of Lansdowne Park."

Commonwealth Stadium turned a profit of about \$100,000 in 1984. But a recreational centre with racquetball courts adjacent to the stadium ran up operating expenses of about \$500,000, mostly in utility charges, and had revenues of only \$200,000. And next door Clarke Stadium brought in a pitiful \$25,000 against expenses of \$80,000. Total loss for the stadia complex: about \$255,000. And all of it picked up by taxpayers.

In addition, there is still bitterness in Edmonton over the use of Commonwealth Stadium, built at a cost of about \$31 million. It is restricted to professional sports and despite its world class track and natural turf infield, it has not been used for amateur athletics competition at any level.

The feeling of being short-changed still rankles amateurs from local recreational runners to the executive of the Commonwealth Games Association of Canada.

And the \$660,000 cycling stadium build for the Edmonton Games is sadly "under-utilized," according to city officials. That's a polite way of saying the velodrome is a bust.

Only the \$4.5-million Kinamen Aquatic Centre, also built specially for the Games, has been a continuing, if expensive, success. The centre, which features Olympic-sized pools and diving facilities, is crowded year-round.

Yet at the end of 1984, the swim complex was running a deficit of more than \$900,000 even though it is energy efficient and well used.

Even Ivor Dent, who led the city's successful bid for the Games, concedes that the stadia stand vacant most of the time.

"Besides the Eskimos football games, there's a few rock concerts at Commonwealth in the summer," he said in a telephone interview from Edmonton.

"And the velodrome hasn't caught on as we expected it would."

What happened in Edmonton is hardly unique.

Montreal built a super \$74-million, 7,200-seat velodrome for the 1976 Olympics. The enclosed building contains a 285-metre track with spectacular 48-degree banked turns as well as a skating rink and an enormous infield capable of staging volleyball or any other sport that requires a playing surface smaller than a football field.

But the Olympic Velodrome is a dead wash in red ink. Local cycling clubs were scared off by a rental fee of \$200 an hour with a minimum four-hour booking. So now it features a few events annually and runs up operating costs of close to \$100,000, all of which the taxpayers must eat.

Critics of Ottawa's proposed Games bid say the Montreal and Edmonton experience should serve as a warning for the region. Their argument is that funds for the Games — estimated at anywhere between \$55-\$157 million — could better be spent on improving roads and sewers and finding jobs for the unemployed.

Even the \$55-\$157 million figure could turn out to be wildly inaccurate. Edmonton originally estimated its total capital budget to be \$9.7 million. The final amount turned out to be more than \$36 million.

Ottawa-Carleton's feasibility study outlines three scenarios or options for the proposed Ottawa Games.

The first option features a substantial upgrading to Lansdowne Park, including structural foundations for a future dome. Both opening and closing ceremonies as well as all track and field events would be held at this stadium. A fieldhouse and track and field stadium would be constructed at Mooney's Bay for training during the Games. This stadium would also be "a legacy," having the potential for staging world class events in the future.

Total capital cost: \$77.2 million to \$80.7 million.

Option No. 2 includes a somewhat milder facelift to Lansdowne Park to spruce it up for opening ceremonies only. Mooney's Bay would host the track and field events and the closing ceremonies. This proposal includes adding a total of 10,000 permanent and 20,000 temporary seats to Lansdowne Park.

Total capital cost: \$51.9 million to \$55.4 million.

Option No. 3 is the deluxe route. It calls for a major new stadium which would be fitted with an air-supported dome immediately after the games. Opening and closing ceremonies plus all track and field events would take place in the new stadium. It also includes a field house and track and field stadium at Mooney's Bay.

Total capital cost: \$154.2 million to \$157.7 million.

The study suggests that the three levels of government would contribute heavily to the Games, as they did in Edmonton. But the two major levels of government have been less than enthusiastic about Ottawa's likely bid and it is expected that the feds and the province will support only one major international sporting event in the 1990s.

Despite the deficits incurred by its facilities, Ivor Dent remains a staunch supporter of the Games. He argues that the stadia are "social benefits" in the same way that libraries, theatres and museums are.

What percentage of the citizenry go to art galleries or the opera, he asks. Yet what self-respecting city would be without these "social benefits," even if the majority of the population ignores cultural events?

"It's the same with the Games facilities. Come out to Edmonton and you'll be hard pressed to find somebody to knock the Games. And nobody worries about the operating costs of Commonwealth or Clarke."

Edmonton's Commonwealth Games cost about \$53 million. The costs were evenly split between the federal, provincial and municipal governments. The tab for the new stadia, aquatic centre, and shooting range was about \$36 million, plus another \$17.5 million for operating expenses.

continued

Edmonton financed its share of the Games by issuing \$11.6 million in debentures with principal and interest repayable over 25 years.

The city picked up \$2.2 million through merchandise licensing and sponsorships. It also got \$2.8 million from the Western Canada Lottery plus \$5.2 million from Loto Canada towards its operations deficits.

Although no accurate records exist listing the number of visitors to the Games, each visitor is thought to have spent about \$100 daily. And 465,821 tickets to various events were sold with receipts totalling \$4.3 million.

In Dent's estimation, the biggest benefit of the Games was that the athletic facilities were built with Edmonton picking up only one-third of the cost.

The biggest booster of the Ottawa Games is Jim Durrell, a member of the regional committee who has eyes to replace Marion Dewar — a knocker — as mayor.

Durrell claims the Games are a potential gold mine, if only the region had the vision to see it.

Numbering the advantages on his fingers, Durrell argues that the Games would pump \$18-20 million in the region's economy and attract about 50,000 visitors — visitors who would unload their wallets in Ottawa.

The study predicts at least 1,500 construction jobs would be created over two years as well as 100 permanent and 600 part-time jobs.

Durrell also says the Games would make Ottawa the county's undisputed champion of amateur athletics.

Dent can predict exactly what will happen if the Durrell forces are successful and Ottawa manages to land the Games:

"When you first make the bid, the citizenry is extremely happy and only 10 or 15 per cent look at the cost," he said.

"When you succeed, euphoria strikes. The entire city gets caught up in the excitement."

But the euphoria fades over the next few years as the Games draw closer. "That's when the knockers and the anti's really come out," he said. "And the media comes up with a whole lot of junky stories."

Finally, the Games begin and the entire town puffs out its chest and walks proud. "The knockers disappear entirely, and everybody raves about how successful and how well-organized it all is. Then nobody cares a darn about the cost."

Dent also happens to be the national president of the Commonwealth Games of Canada Association, the group that will choose the Canadian city to compete against other countries in the race for the Games.

Wearing his Commonwealth association hat, Dent won't rate Ottawa's chances for a successful bid but he does say that the region has plenty going for it. With a population about 700,000, the area far exceeds the minimum population requirement of 350,000.

Even better, Ottawa is within striking distance of Montreal and Toronto as well as upper New York state and has tremendous drawing power.

What is essential, he said, is that the region display a rah-rah spirit to show organizers that Ottawa really wants the Games.

"The quality of the bid is very important," he said. "We have to see that the community is truly behind the project."

At the moment, that rah-rah spirit is missing. The region's executive committee is badly split along left-right lines over the project. Oddly, the left-wingers are generally against the Games while the right-wing is in favor. Usually it's the lefties who delight in spending taxpayers' money.

Still, a *Citizen* survey showed that 16 of the 33 members are in favor and five opposed to the Games with several others uncertain. Council will decide about the bid at its Feb. 13 meeting.

If Ottawa decides to go for it, the Canadian competition will

be a lot tougher than Edmonton faced. Winnipeg is keenly interested and since the city was host to the 1967 Pan-Am Games the necessary facilities are ready and waiting.

Winnipeg's Dave Grant, executive assistant to the mayor, is almost cocky about his city's chances.

"We've got a stadium, we've got a swimming centre, we've got a velodrome, we've got a shooting range, we've got a bowls green," he said in a telephone interview.

"We're in good shape, although we've haven't talked with the Commonwealth Association for a while," he said.

Windsor and Hamilton also have hopes of landing the Games — probably pipe dreams in both cases. Hamilton had the first British Empire Games back in 1930 and the lunch bucket city now seems financially incapable of such a huge project.

If Ottawa beats out its Canadian competition, it will make a formal presentation to the Commonwealth Games Federation in Seoul, Korea on the eve of the 1988 Olympics.

Just to reach that point, the region will have to spend about \$350,000 on models, slide shows, a film, brochures, and wining and dining of international voting delegates.

THE OUTCASTS/

by Ben Wicks



Here are the names, phone numbers and mailing addresses of the local politicians who voted in favour of Pan-Am 1991 tax funding. You can find out what ward you live in by using the map below.

Just before we went to press, the federal government introduced a policy of NO-GRANTS for International Sports Events for at least the next five years. This is excellent news. However, there is no guarantee that the City will follow suit, as illustrated by Gordon Hume now saying he may go after the 1994 Commonwealth Games.

CONTROLLERS:

Ron Annis, 187 Wharnccliffe Rd. N. - N6H 2B1; 227-4125

Joe Fontana: 3-253 Taylor St.; 672-6376

Orlando Zamprogna: 1397 Rideau Gate - N5X 1X2; 434-4976

ALDERPERSONS:

Ward 1: John Irvine, 2001-190 Cherryhill Circle - N6H 2M3; 439-5450

Ward 2: Bob Beccarea, 74 Shavian Blvd. - N6B 2P3; 672-2889

Ward 3: Pat O'Brien, 38 Tilipe - N5V 2X4; 455-4955

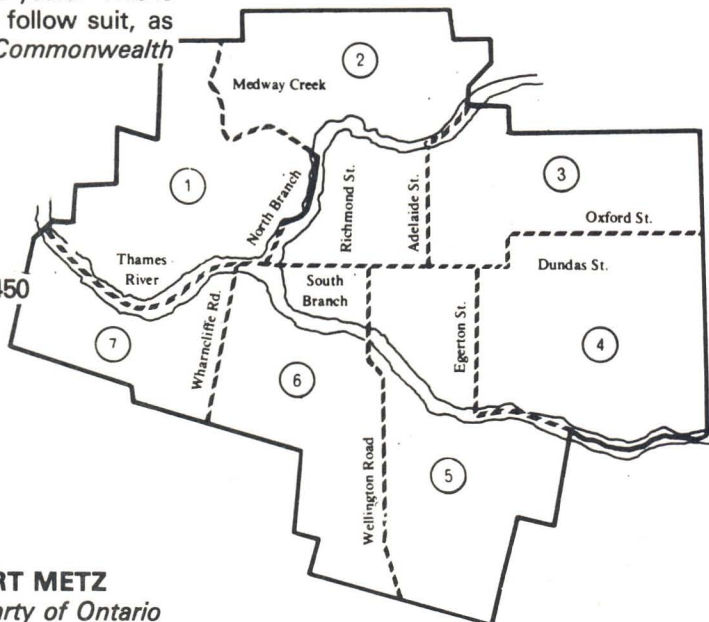
Ward 5: Grant Hopcroft, 195 Buckingham - N5Z 3V6; 686-8670

Ward 5: Gary Williams, 907 Norton Cres. - N6J 2Y8; 681-2638

Ward 6: Tom Gosnell, 652 Talbot Street - N6A 2T6; 672-6142

Ward 6: Janet McEwen, 572 Upper Queens - N6C 3T9; 681-8524

Ward 7: Gord Jorgenson, 383 Colville - N6K 2J4; 471-2695



Researched and Written by MARC EMERY; Edited by ROBERT METZ

Computer service, offices and administration: courtesy Freedom Party of Ontario



The Corporation of The City of London

The Office of The Mayor

Al Gleeson

Mayor

300 Dufferin Avenue,
London, Ontario,
N6B 1Z2,
March 1, 1985.

Mr. and Mrs. Peter Diephuis,
1294 Glenora Drive,
London, Ontario.
N5X 1T5

Dear Mr. and Mrs. Diephuis:

A few years ago I participated in the opening of a new library on Huron Street. Last year I participated in the opening of a new ice arena on Southdale Road.

What is unique about these events when there are other libraries and ice arenas throughout the City? In fact, there is nothing unique and that is the point.


Facilities, such as rinks and libraries are classified under recreational and cultural. Such facilities have always been built in this city by using tax dollars. I can't even recall an objection to the use of taxpayer's money for such facilities -- more arenas, more libraries, more swimming pools, more soccer fields, etc.,

The Pan Am Games is a recreational and cultural event, which will permit the construction of needed facilities. What is improper about using taxpayer's money for those facilities?

Why is it permissible to spend tax dollars on a new swimming pool but not acceptable to use tax dollars for an aquatic center just because the aquatic center is part of the Pan Am Games? I fail to see the distinction.

People say to use only private sources like Los Angeles did for the 1984 Summer Olympics. They seem to forget that Los Angeles had most of the facilities, and those facilities were built some years previously with taxpayer's money.

The Pan Am Games' issue is not an easy one and there are many questions to be answered. But the acceptability of using tax dollars is a question already resolved by past experience.

Sincerely,

Al Gleeson,
Mayor.

WE FINALLY MAKE A CONVERTI

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Ward 3 Alderman Pat O'Brien, after repeated calls and letters, finally took a stand on the issue of tax funding for Pan-Am 1991. To wit, we reprint a letter to a Londoner:

2. Pan-Am Games -

This has been a very difficult decision for me personally. As an individual taxpayer, I would like to see the Games in London. However, as your elected representative, I do my best by reports and regular meetings to seek your views and keep you informed. Many Ward 3 taxpayers are very worried about the cost of the games and I share their concern. My goal all along has been to let the public be involved in the decision by stating their views to Council members who are elected to make the final decision.

- A. In August, 1984, I moved, and Council unanimously approved, a series of public information meetings to put the facts before the people of London.
- B. I promised many of you, my constituents, that I would not support spending tax dollars on the games if a clear majority was solidly opposed. I fully intend to keep that promise. In order to determine the views of the public, I asked Council on March 4, 1985, to hold a poll or find some other means of encouraging the public to express their opinions. Council tabled this idea until the summer of 1985 with which I disagreed. The idea should have been passed in principle guaranteeing the public a chance for greater input. Because this was not done, and because, since first elected in 1980, I have always sought to encourage public participation not discourage or ignore it, I now must take a stand. I absolutely will not support the spending of any municipal tax dollars on the Pan-Am Games. I will, however, volunteer to work and help raise money through business and private donations to see if it is possible to hold the games with no London and municipal tax dollars.

THE MAYOR RESPONDS TO ONE OF OUR SUPPORTERS...

One of our *No-Tax for Pan-Am* volunteers, Peter Diephus, wrote a letter to Mayor Al Gleeson who, in turn, sent Mr. Diephus a reply. We reprint both below. Following that is our own analysis of what we see as dangerous assumptions underlying his arguments (not to mention complacency), and the implications that his attitude could have on our city.

Dear Sir,

This is to let you know that we, the undersigned, as taxpayers of the City of London, are urging you, as Mayor of London, to vote against using any taxpayer's money for the Pan-Am Games.

We will be closely watching who is voting for or against what before the November elections.

Yours truly,
Audrey and Peter Diephuis
London, Ontario

MAYOR'S RESPONSE ON OPPOSITE PAGE

...AND WE RESPOND TO HIM

Let's take a look at the Mayor's response point by point. Mr. Gleeson informs us that "Facilities such as rinks and libraries are classified under 'recreational and cultural.' Such facilities have always been built in this city by using tax dollars. I can't even recall an objection to the use of taxpayers' money for such facilities... more arenas, more libraries, more swimming pools, more soccer fields, etc."

To begin with, there *should* be objections raised whenever new libraries or arenas are proposed to be built with tax dollars, but the objections should come from elected representatives who are knowledgeable about finances and use and not from citizens who have little access to the relevant facts in these matters.

For example, the library cited by the Mayor is the new *Northland Library*. This \$1.25 million library (land included) was previously located in the Northland Mall. It was small but adequate, given the declining number of children in the neighbourhood (as reflected by the closure of Huron Heights School). In any case, the new library is vastly underused, particularly since children in the new area are well served by their school libraries and the bookmobile. In fact, between these two sources (and books at home), the great majority of children can have access to almost any book they might wish to read.

As to high school students, *Montcalm Secondary* has a large library that serves both the students of Montcalm and the students of *Lucas Secondary* school also. And adults, who use the library system the least frequently, can afford to buy their own contemporary paperbacks (and do), while the balance tend to use the Central Library.

The library system in London will cost local taxpayers \$4,700,000 in local taxes alone, and \$800,000 in provincial taxes --- and that's just for 1985! Ironically, 95% of the people who are forced to pay for the library system (the taxpayers) do not use the service in any given year!

Certainly, adults who use the library system should be expected to at least pay a \$5 or \$10 annual user fee to help cover the costs of the service they're using. But under no circumstance should more libraries be built in this city. It is scandalous to be paying nearly \$5 million per year for a service used regularly by only about 15,000. Without doubt, the new library referred to by the Mayor was a mistake.

The arena referred to by the mayor is *Earl Nichols Arena*, built two years ago in South London for hockey, ringette, etc. Unlike any of the proposed Pan-Am facilities, where it has been admitted that they will lose a minimum of \$1 million per year (hence the "endowment fund", better described as "deficits collected in advance"), Earl Nichols arena breaks even, since the operating costs are charged --- as they should be --- to those using the arena.

Naturally, the original capital cost of \$2 million should also be recovered in admission charges. However, the local sports lobby, ever prominent in these issues (for the same reason they are with Pan-Am: *they want something for nothing*), embarks upon phone blitzes, letter campaigns, etc., whenever someone attempts to make such a suggestion.

This is particularly nauseating when you stop to consider that children using the facility for hockey or ringette require equipment worth between \$150-\$200 *each year*, not to mention the gas and other incremental expenses incurred by parents who drive their children to these events. \$1 per child per game is surely not a lot to ask from the people who are using the facility, and it would go a long way to cover the capital cost of building such a facility.

As far as soccer fields are concerned, operating costs are being paid for by the users. As a director of an Optimist Club, and as a soccer coach and sponsor, I can attest that we receive no services we do not pay for --- as it should be.

Swimming pools, on the other hand, are an entirely different matter.

Here's a shocking statistic: **For every visit a child makes to a PUC pool and pays 50 cents admission, the taxpayer subsidizes that visit by an additional \$5! FIVE DOLLARS. PER VISIT. PER CHILD.**

Public pool use is declining with the declining number of children, particularly in central neighbourhoods. Obviously some pools should be closed, not additional ones opened. Consider as well the fact that Londoners own more private backyard pools per capita than any other community in Ontario! As well, more apartment health spa pools exist in London than ever before.

The YMCA pool is vastly underused. "Who can afford a \$20 monthly fee?" argue critics. Yet, an aquatic centre would cost \$2 million a year to operate. If it was open 10 hours a day, 350 days a year, that would be 3,500 hours per year. Divide that into \$2 million and you have a cost of \$571 per hour!

Now we all know that the pool will not be in use every hour of every day, since there are only about 5,000 swimmers of any kind in the city who would use the pool more than once or twice. But let's assume they use it even as often as three times a week. That's 70 swimmers per hour (a very unlikely and exaggerated prospect), which would break operating costs down to \$8.25 per visit or, at 3 times per week, \$100 per month! And still these people complain about paying \$20 per month at the YMCA, which has the best pool in the city.

Now of course, we've just been talking about the \$2 million operating cost. If the \$10 million capital cost of building the pool was amortized over 25 years, you would need an extra \$1 million per year in revenue, making the cost per regular swimmer (as in our example above) about \$150 per month, or \$1,800 per year for the Pan-Am Aquatic Centre.

Or they could pay \$240 per year at the YMCA --- *now*.

When the Mayor asks "what is improper about using taxpayer's money for those facilities?", I can tell him --- and so, now, can you.

To begin with, these facilities are always used by minorities, perhaps between one and five per cent of the city using any one facility, yet the other 95-99% are required to pay the tab --- along with the inevitable corruption, inefficiency, political squabbling and divisiveness that is always part of political intervention.

Furthermore, although a new aquatic center is unnecessary, if built, it will certainly end up competing with private organizations that do not receive municipal grants, forcing them to join the breadlines for government handouts as well. Then we could be faced with *both* the Aquatic Centre and the YMCA forever needing taxpayer handouts, whereas right now we have neither. Is all this worth the expense of just trying to appease a small minority of elite swimmers?

The new stadium proposed for Pan-Am would have the same effect on private stadiums. For example, J.W. Little Stadium, which currently sees little or no use, will be even further underused.

The argument for a stadium in anticipation of a CFL franchise (which would lose millions as well) is utterly insane. A CFL team plays only 9 home games per season. What would we do for the other 352 days of the year? This kind of rationalization is demented and utterly self-serving.

The \$22 million fieldhouse (plus courts and fields for basketball, soccer, tennis, etc.) is a decadent luxury that will likely be built on the UWO or Fanshawe campus for use by students and a few organized league sports who are doing fine now without it. We already have too many tennis courts (since the sport's popularity has taken a nosedive over the last five years), there are already far more schools and community centres available for basketball than demand requires, and there is no real shortage of soccer fields.

So when the Mayor asks: "Why is it permissible to spend tax dollars on a new swimming pool but not acceptable to use tax dollars for an aquatic centre just because the aquatic centre is part of the Pan-Am Games? I fail to see the distinction." --- send him this. He still won't see it. *But he'll know you will.*

As to Mr. Gleason's comment that "the acceptability of using tax dollars is a question already resolved by past experience," it certainly has to be one of the most audacious and complacent things I've ever heard the Mayor say. He's more or less telling us that "We've done it before, so we can do it again."

Pan-Am Games could be held in London-southwestern Ontario without building expensive white elephants

The proposed sporting events for Pan-Am 1991 in London are listed below. What is particularly fascinating is that, of the 24 listed, 21 can be held in existing facilities in the London or St. Thomas area, requiring an investment of only \$3.5 million for the necessary upgrading.

It is only the *remaining three activities*, 50-meter swimming, athletics (track & field), and gymnastics that require a \$54 million capital investment and the \$10 million endowment fund.

Rather than build a new \$10 million aquatic facility, the 50-meter events could be held in Tillsonburg or Woodstock, or somewhere where a 50-meter pool is already underused. With a little imagination, the JW Little Stadium and other existing facilities could handle the athletics and gymnastic events. Synchronized swimming, waterpolo, and diving could be held at the University, Roberts Centre, Wolseley Barracks, and Thames Park pools.

By saving \$50 million in expenditures, the required number of spectators will proportionately drop, and would represent only a loss of \$2-\$3 million in revenues. In addition to that, an endowment fund would no longer be necessary, resulting in another \$10 million saving.

By eliminating \$60 million in costs from the originally estimated \$98 million expenditure, we are faced with a net projected cost of \$38 million to host Pan-Am 1991. These reduced costs could be met by the following possible sources of revenue: Sales, marketing, and licensing: \$10 million; Corporate sponsorships: \$10 million; Provincial lottery grants: \$18 million.

Londoners would therefore reap the advantages of upgraded *community facilities* (the ones that see *real use*) without having to cope with the burden of supporting another expensive 'white elephant.' Any additional non-tax revenue that might accrue could be used for special facilities where conditions and demand may warrant. To anyone interested, we have complete details on the Pan-Am bid in our office. Just give us a call or drop on in.

City of London
Pan American Games Bid Committee

Suggested Program

REPRINTED FROM PREVIOUS NEWSLETTER

<u>EVENTS</u>	<u>PARTICIPATION</u>	<u>SEATING</u>	<u>FACILITIES</u>
Aquatics (swimming, diving, waterpolo, synchronized swim.)	M/F	6,000	Aquatics Centre, UWO, Roberts, Thames Park
Archery	M/F	1,000	Stronach/Kiwanis/Springbank
Athletics	M/F	35,000	Stadium
Baseball	M	8,000	Labatt Park/St. Thomas
Basketball	M/F	12,000	Fieldhouse/High Schools
Boxing	M	6,000	London Gardens
Canoeing	M/F	TBA	Fanshawe Lake
Cycling	M	TBA	City of London
Equestrian	OPEN	3,000	Thorndale Equestrian Centre
Fencing	M/F	1,000	Saunders Secondary School;
Field Hockey	M/F	5,000	J.W. Little, Roberts Stadium/UWO
Gymnastics	M/F	12,000	Fieldhouse
Judo	M/F	2,000	Earl Nicholls
Rowing	M/F	TBA	Fanshawe Lake
Shooting	M/F	1,000	Crumlin Gun Club
Soccer	M	35,000	Stadium/Clubs/J.W. Little Stadium
Softball	M/F	5,000	PUC Facilities/Stronach/Ted Early
Table Tennis	M/F	1,000	Medway Arena
Volleyball	M/F	3,500	All-Canadian Club, Greenhills
Weight Lifting	M	6,000	Thompson Building/Fieldhouse
Wrestling	M	2,000	Alumni Hall
Yachting	OPEN	TBA	Goderich Harbour

SOME INTERESTING FACTS ON THE 1988 CALGARY OLYMPICS

A letter written to the *Free Press* was researched by one of our supporters.

\$200 million was already sunk into the 1988 Games by the Liberal government of 1983, and then the SportsSelect Lottery was invented in an attempt to recover the \$200 million, but instead ended up costing the taxpayer an additional \$48 million in losses.

Although the figure for TV rights for the Winter Olympics seems impressive, costs are more so. It seems that Alberta does everything on a grand scale, including its taxpayer boondoggles.

Effects of the Pan-Am Games

Sir: Londoners are in for a big surprise with "our" 1991 Pan-Am Games. We may as well prepare ourselves for the worst because it seems that we will not be allowed to voice our individual choice on the subject.

Calgary is just now learning the bitter truth of listening to their city politicians on their 1988 Winter Olympics. A lead article in the *Globe and Mail* of March 9 states that the "planned spending on the 1988 Calgary Olympic Games has nearly doubled and stands at \$818 million compared with \$415 million when the city 'won' the right in 1981 to hold the games."

Calgary taxpayers learned recently that the city wants to raise taxes by about 4.3 per cent to help pay the city's share of the cost of the games. What is most appalling about the situation is the logic and rationale now being used by the Calgary politicians and organizers. They insist that "the greater the expenditures, the more jobs that will be created" and "the greater the Olympic legacy that will be left for Canadians."

The project will help Alberta's 70,000 unemployed construction workers. Calgary will need 800 more buses. These facilities will attract athletes from all over the world to train. People will come from all over to see Mt. Allan or the speed skating oval.

The cost of some of the above attractions — \$62 million for the bobsled run and ski jump facilities; \$35 million for the world's first indoor speedskating oval; \$25 million for Mt. Allan; \$13 million for cross-country skiing; \$16 million for athletes' village; \$33 million for an arena; \$36 million for improvements to McMahon Stadium and University of Calgary phys ed complex.

Questions:

What will the 70,000 construction workers do after 1988 with no jobs and higher taxes?

What will be "the greater Canadian legacy" (our national debt is expected to stand at \$190 billion in 1985)?

What will Calgary do with 800 buses after the Games?

How many Londoners will go to Calgary to the top of the bobsled run to see Mt. Allan or the oval?

Can economical use be made of Mt. Allan, the stadium and arenas, the speedskating oval, the bobsled run, the athletes' village, drug testing centre?

Even Otto Jelinek, the federal minister of state for fitness and amateur sports, admits that there aren't many Canadian speed skaters, bobsleders, or luge enthusiasts — so who is going to use all these facilities in Calgary?

But worry not — Jelinek also says that "Canadian taxpayers will not have to pay a nickel for the Olympic Games" and William Pratt, the president of the Calgary Olympic Games, claims that "these are going to be the best Olympic sports facilities in the world, and the legacy is going to be incredible."

We Londoners have much to look forward to with our Pan-Am Games — as is being proved in Calgary with their Winter Olympics.

London

BRUNO S. OBERSKI

EXPO DISASTER AFTER EXPO DISASTER

We've placed phone calls to Caracas Venezuela, Indianapolis Indiana, St. John New Brunswick, Toronto, Edmonton, Calgary and Vancouver to unearth information on these sporting extravaganzas and Expos. One report we discovered was from the University of British Columbia about *Expo '86* but also included a history of previous Expos, etc. We reprint for your information...

Expo 86 - An Economic Impact Analysis, Charles Blackorby, Glen Donaldson, and Margaret Slade; The University of British Columbia B.C. Economic Policy Institute Paper No. P-84-11; August 1984

HISTORICAL BACKGROUND

Before embarking on a discussion of the costs and benefits of *Expo 86*, it may be useful to peer beyond the promotional efforts which currently surround British Columbia's world fair and contemplate the lessons presented to us by the dismal records of past world fairs. In order to facilitate comparability, all dollar figures presented in the discussion that follows are 1984 dollars; that is, they are expressed in terms of purchasing power in the year 1984. Figures from American fairs are reported in U.S. dollars while figures from Canadian fairs are reported in Canadian dollars.

Of the last eighteen world fairs, fifteen have lost money. Of the three that managed to remain in the black, two of these were held in Japan (Osaka 1970 and Okinawa 1975). The relative success of the Japanese fairs may be explained by the fact that they are almost completely state controlled and simply "not allowed" to lose money. Because differences in institutional settings render international comparisons difficult, we confine our discussion to expositions held in North America. In the interest of comparability, we also omit such pre-1960 expositions as San Francisco 1939 (which was forced to close early due to bankruptcy) and New York 1939-40 (which lost an astounding \$384 million). Instead, our discussion is confined to a brief survey of Seattle 1962, New York 1964-65, Montreal 1967, San Antonio 1968, Spokane 1974, Knoxville 1982, New Orleans 1984, and developments thus far on Vancouver 1986.

The Seattle world fair of 1962 was a rarity among international expositions in at least three respects. First, the fair did not report a financial loss. Second, Seattle's fair drew more visitors than had been expected. And finally, the host city acquired a legacy of functional buildings and capital equipment which neither scarred the face of the city nor cost its inhabitants an unconscionable sum to adapt to their post-fair use.

Seattle's 1962 world fair, entitled Century 21, was a \$342 million science and technology exposition involving 43 nations and numerous private investors. Not including the 74 acres of land given Expo 62 free of charge, three levels of government spent a total of \$154 million on Seattle's fair. Actual attendance at the fair totalled approximately 9.6 million --- 2.1 million more than expected. This attendance increment, when multiplied by the average ticket price of \$5.65 per person, should have resulted in a revenue surplus of \$12 million. The actual profit, however, was only \$5 million, suggesting that had the exposition progressed according to plan, a deficit of \$7 million would have resulted. Furthermore, if the true opportunity cost of the land used by Expo 62 is accounted for, even this seemingly profitable fair becomes a money loser.

The New York world fair of 1964-65 is the first on a long list of post-World-War-Two expo disasters. In conformity with a now typical pattern, Expo 64-65 was not expected to be an economic failure but was introduced as an exciting way to create economic growth and turn a profit for both the city and the state. One method of documenting the all too common shift from optimistic forecasts to grim post-fair reality is to follow the *New York Times'* coverage of the fair.

Jan., 1964: R. Moses, president of the fair, predicts that 70 million people will visit the fair resulting in a \$177 million profit.

Feb., 1964: Expected revenue rises above the \$400 million originally predicted as more money is poured into the fair.

Mar., 1964: Arguments between government agencies ensue as a result of discussions concerning the distribution of expected profits.

April, 1964: The downhill trend begins as the New York world fair opens its gates while only 85% complete.

July 1964: Half way through the fair, attendance is less than 50% of what was expected, resulting in large exhibitor and concessionaire losses.

Jan., 1965: The World Fair Corporation reneges on an \$80 million loan from the city.

Feb., 1965: The auditors' report of the "financially shaky" fair claims that New York's exposition will not be able to meet its financial obligations. Meanwhile, eleven major exhibitors with \$124 million in liabilities file for bankruptcy.

Oct., 1965: The New York world fair closes with a total attendance figure of 51.6 million --- only 74% of the number expected. Instead of making a \$177 million profit, the exposition reports a loss of \$71 million.

Dec., 1967: The City of New York is forced to pay \$104 million, in addition to \$20 million worth of private funds, in an effort to restore the site of the 64-65 exposition.

EXPO '67 DEFICIT IN 1967 WAS \$957 MILLION!

The only Canadian exposition which occurred prior to British Columbia's *Expo 86* is the 1967 Montreal world fair. *Expo 67* has been heralded as one of history's most successful world fairs. The six-month-long fair drew a record 50 million visitors to the 1000-acre site which housed the exhibits of 38 countries and 24 corporate participants. Upon closer scrutiny of the facts, however, the economic validity of Expo 67's fantastic success fades. By following the financial developments of the fair chronologically, we gain some understanding of the economic nature of Expo 67.

In 1963, Expo 67 was reporting expected direct costs of \$401 million. This number was revised upward to \$654 million in 1964 with an expected deficit of \$184 million reported at that time. By the time the world fair opened in 1967, the cost of producing the exposition had ballooned to over \$1.38 billion. An expected net gain of \$700 million was also reported at this time, based on an expected attendance figure of 35 to 40 million.

By the time Expo 67 closed its gates in October 1967, the Montreal world fair had recorded a record net deficit of \$957 million. As a result of the city's various Expo-related expenses (a new domed stadium and rapid transit, for example) the city of Montreal reported a debt of over \$2.4 billion. The weight of this phenomenally large post-Expo-debt burden stifled growth and development in Montreal for many years after the conclusion of one of the most "successful" expositions.

One interesting similarity between Expo 67 and Expo 86 is that organizers of both world fairs assumed that the sale of the buildings from the exposition site would cover the costs of decommissioning. Such was clearly not the case in Montreal, where Expo 67 organizers could not even give the buildings away. Eventually, ownership of the structures was assumed by various levels of government. The events of 1967 should be studied closely by the organizers of Expo 86 who plan to unload their buildings on the private sector upon the conclusion of the fair.

Like most other world fairs, the San Antonio exposition, entitled *HemisFair 68*, finished in the red. Although HemisFair 68 was not as costly an error as Expo 64-65 or Expo 67, investors in Expo 68 were still misled by the overly optimistic promises of the exposition's organizers. With an expected attendance figure of 7.2 million, HemisFair 68 was forecast to finish in the black. In the process, Expo 68 was supposed to stimulate the economy with the creation of thousands of jobs (reports claim anywhere between 8,000 and 45,000) and hundreds of millions of dollars worth of new output. In reality, the \$464 million fair attracted only 6.4 million visitors --- 800,000 less than expected. The fair was such a financial disaster that private underwriters lost between 10 and 100 percent of their investments. By the time HemisFair 68 was over, the residents of San Antonio were not counting profits but instead were left with a \$24 million debt.

The Spokane world fair, entitled "Man In His Environment", was, like so many other fairs before and since, forecast to produce a handsome profit for the city while at the same time making the city itself handsome through a much publicized program of environmental revitalization. As usual, what actually transpired was something much less than what had been

¹⁴ promised. Spokane's Expo 74, which cost \$168 million to produce and attracted only nine foreign exhibitors and 5.7 million visitors, has been described as a world fair "put on by a bunch of merchants to increase profits" (*US News and World Report*, April 15, 1974). An irony of the fair, which focused on the environment, is that it was almost closed by the health department because of the pollution it generated. To add insult to injury, the residents of Spokane discovered that transformation of the Expo site into the beautiful park which was promised them by Expo 74 officials would cost an additional \$21 million.

Expo 74 not only failed to live up to its environmental theme, it also failed to produce the profits promised by the fair's organizers. Only ten days after the close of Expo 74, city officials called a meeting to consider increased taxes, cutbacks in street, library, and park development programs, and massive personnel layoffs to offset a deficit of \$1.89 million.

At first glance, official reports of the 1982 Knoxville world fair give the impression that the fair may have been an economic success. The organizers at Knoxville tell you that not only did the fair show a surplus on closing day, it topped its goal of 11 million attendance. The reality of Expo 82, however, is revealed in what the fair's organizers do not tell you.

The first thing that should be understood about the Knoxville world fair is that total attendance was calculated in a misleading fashion. The officially reported attendance figures represent the total number of people who gained access to the Expo site during the life of the fair. This number, therefore, includes such nonpaying visitors as employees of the fair, press, entertainers, and others who got in free. The actual number of paying attendees is closer to 8 million --- a number far short of the 11 million predicted.

As is the case with the attendance reports, Knoxville's financial reports have also been misrepresented. It is true that on the closing day of the fair revenues exceeded expenses to date. Fair organizers fail to mention, however, that when the fair closed Expo 82 still had to repay a \$3 million line of credit, dispose of buildings and equipment on the fair site, pay out over \$1 million to 3000 home owners in the form of reimbursements, and battle at least 17 lawsuits for more than \$20 million. In reality, Expo 82 was so successful that it resulted in the third largest bank failure in the history of the United States. The United America Bank, which was owned by the president of Expo 82, failed largely because it had made loans to businesses which failed in connection with Expo 82.

The final verdict has not yet been handed down on the 1984 New Orleans world fair. All reports thus far, however, indicate that Expo 84 may be a bigger disaster than was ever believed possible. The fair is currently drawing less than one half of the daily attendance needed to break even. Furthermore, Expo 84's financial position is so weak that it was almost closed down in June for failure to pay city taxes.

The proponents of Expo 86 would do well to study the economic disasters experienced by the hosts of previous world fairs. A distinct chain of events common to most of the expositions is observed --- euphoria followed by doubts followed by debts. If we are to benefit from the mistakes of the past, the organizers of Expo 86 should become familiar with certain economic warning signals in order to prevent a repetition of past mistakes in the province of B.C.

The pattern common to almost all of the expositions studied is as follows. Many expositions originate as a modest promotional undertaking often associated with some historical event (Montreal, for example, celebrated Canada's centennial). After its inception, a typical world fair proceeds to grow in both size and scope at an ever increasing rate until its opening day. Furthermore, attendance forecasts are more often than not exaggerated, as are expected revenues. Conversely, expenses are typically underestimated. As a result, most fairs generate a financial loss although, with the exception of Montreal, a handsome profit was forecast.

Two costs which are not usually considered by fair organizers (and Expo 86 organizers are no exception) are those associated with decommissioning the fair and with indirect improvements. Not only are these costs traditionally very large, they are usually unreported. Included in these costs are such expenses as highway, bridge, and police-force improvements as well as numerous capital projects (e.g., rapid transit and new stadiums). For example, additional expenses incurred by Montreal in connection with Expo 67 resulted in that city being crushed by a \$2.4 billion debt.

Expo 86 appears to be following the by now familiar road to economic disaster. Expo 86 was first proposed as a \$127 million celebration of Vancouver's centenary. Since the date of its inception, however, costs have risen. In 1980 the total projected cost of the project was \$199.4 million. By May of 1983, this number had grown to over \$620 million. The latest official estimates place costs at \$806 million to Expo and \$694 million to other sources. Unofficial and probably more accurate estimates place Expo's costs at closer to \$1 billion. If this latter figure is correct, the cost of Expo 86 has increased by a factor of 8 since its inception, proving once again that exposition budgets are indeed a growth industry.

In addition to the estimated direct costs, there are numerous unestimated indirect costs which will be incurred at least partially because of Expo 86. These include the costs of providing additional police protection, expanding health services, improving highways, bridges and border crossings, and the construction of a rapid transit system. In addition, there is the true economic cost of the land on which Expo 86 is situated.

As to the New Orleans World Fair, it lost \$140 million and declared bankruptcy. The 1991 World's Fair (running at the same time as our 1991 Pan-Am Games) will be hosted by Chicago Illinois at a cost of \$900 million U.S. (\$1.2 Billion Canadian) and is expected to lose at least \$500 million in taxpayer dollars. By the way, the Montreal 1976 Olympics lost over \$1 billion too, and here are some clips from a February 1975 *Maclean's Magazine* article about that:

As we consistently remind people, the Los Angeles 1984 Olympics made a \$160 million profit because the taxpayer was not contributing a single dime. Even the extra police protection was paid for by the Olympic organizers. The 1980 Olympics in Moscow cost \$9 Billion, although comparisons are perhaps unfair in this case.

Obviously then, the only happy solution available to Londoners who wish to host the Pan-Am Games in 1991 would be to:

- (a) privately finance it with corporate sponsorships, advertising, lottery money, etc.,
- (b) build fewer new structures,
- (c) spread events over a wider area, including St. Thomas, Tillsonburg (50-metre pool), and perhaps Woodstock, with the bulk of events being held in London.