

Bread, circuses, and Olympic questions

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"Only two things does he [the modern citizen] anxiously wish for - bread and circuses," wrote Juvenal, the Roman satirist. That crack is repeated often when

taxpayer funding for sports and entertainment is at issue and well it should, even for non-profit events such as the Olympics. The B.C. and federal governments are pursuing the winter games for 2010 in Whistler, with \$18 million guaranteed for the bid process and \$620 promised for facilities and a legacy fund if initial bid is successful.

To put the bid in perspective, consider some recent North American Olympic games. In Canada, the 1976 Montreal Olympics were budgeted at \$310 million but the final cost soared. One recent estimate pegged the final cost at \$1.4 billion with the bill finally paid off in 2006 - 30 years after the games began. In Calgary in 1988, taxpayers spent \$461 million in contributions from taxpayers for facilities, though the games turned a \$90 million profit on operations. (Thanks to Pete McMartin at the Vancouver Sun for that last figure.)

The best analysis for U.S. Olympic costs is from the United States General Accounting Office (GAO), which in late 2000 estimated that federal taxpayers in that country kicked in \$75 million for the 1984 Los Angeles event and \$609 million for Atlanta in 1996. This year's winter games in Salt Lake City were estimated to have taken \$1.3 billion from the federal treasury for Olympic-related "needs" according to the GAO. All U.S. game figures in U.S. dollars, and the analysis is available at www.gao.gov/new.items/gg00183.pdf.

Since then, a December 2001 Sports Illustrated analysis pegged the cost of federal transfers to Salt Lake City higher, at \$1.5 billion U.S.; none of those numbers include local or state help or giveaways of property. One main reason for the federal \$1.5 billion Salt Lake City price tag was not direct Olympic infrastructure itself. Instead, the GAO notes that \$1 billion was spent, mostly, to develop, build and complete major infrastructure projects such as highways and transit improvements. All of these were justified as critical to the successful completion of the Olympics. Sound familiar?

Remember that the \$640 million now budgeted for by Ottawa and Victoria doesn't include projects pushed as helpful to the 2010 bid. An expansion to the Vancouver convention centre: \$500 million; the highway from Vancouver to Whistler: \$300 million to \$1.3 billion; a rapid transit line from the airport to downtown Vancouver: \$1 billion to \$2 billion. Security costs are also not included, and they might be substantial. In Salt Lake City, security costs amounted to \$161 million U.S. or \$240 million in Canadian dollars.

True, the B.C. government study analyzing the 2010 games' impact theorizes that

\$1.3 billion to \$2.5 billion in tax revenues will accrue to governments as a result of the games, but some of the assumptions are difficult to agree with. And the constant Expo '86 comparisons are too optimistic. Expo '86 was, in one sense, a massive advertising campaign for B.C. and, critically, a six-month long event attended by millions of people, the vast majority of which would not otherwise have come to B.C in that year. It was unlike a two-week Olympic spectacle where some of the tourist flow will likely displace some who would have spent money here anyway.

The Olympic games should be supported or opposed by taxpayers based on hard figures about its own potential costs and benefits. Similarly, the other projects should be justified or denied, built or expanded only on their own merits, not merely pushed ahead or expanded because of a possible two-week event eight years from now.

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