

Closing Expo 1967 Corporation

the point which we have to consider—is that all these benefits and all this success could and should have been secured at a great deal less cost than was actually the case. We are now considering whether the exhibition was carried on in an efficient and effective way and at a reasonable cost.

The more one considers the evidence in regard to the matter, the more definitely one comes to the conclusion that the cost was excessive. The 1968 report of the Auditor General which was before the committee, and other evidence before it showed without any doubt that there was a great deal of loose administration. Many inefficient procedures were allowed to continue in operation, and there was carelessness over the letting of contracts for the construction of capital works. All this resulted in a very large waste of public funds. This resulted in a terrific escalation of costs, as was pointed out at second reading by myself and by others. As was pointed out in the committee, and again here this afternoon, by the right hon. member for Prince Albert (Mr. Diefenbaker), the cost escalated so far as the federal government was concerned from what was supposed to be, to begin with, about \$20 million to a final cost in excess of \$144 million.

I submit that a good deal of this increased cost was due to the fact that no real control was exercised by the various ministers responsible at different times for the conduct of the exhibition, by Treasury Board or by the cabinet as a whole. Therefore, the responsibility for the great increase in cost and the amount of waste that took place rests squarely on the shoulders of the government. When we were considering this bill on second reading, the minister, in directing his remarks to me, said the following: as recorded at page 557 of *Hansard* of November 5.

—I know how fair he is and I do not think he would respect me if I were not to say that these points were raised—

The points he refers to are the numerous criticisms that I had brought out and read from the Auditor General's report of 1968 in connection with the administration of this exhibition. He went on to say:

—and answered before. I will appear before the committee soon and will explain, with the help of my officials, all these matters.

In fact, these questions had never previously been answered and they were not answered satisfactorily at the committee by the minister and his officials. I might give further proof in that regard. The committee's

Minutes of Proceedings No. 5, at pages 5-9, contain evidence in that regard. Mr. Henderson, the Auditor General, was before the committee and I asked him the following question:

I will put my next question. It was stated that the various criticisms or observations that you made, some of the main ones you have just outlined, had all been satisfactorily answered to you people as auditors. Would you have any comment in regard to that statement?

Mr. Henderson answered as follows:

My answer to that statement, Mr. Harkness, would be quite a simple one: if they had been satisfactorily answered we would not have placed the qualifications in our certification on the accounts.

When referring to the criticisms he brought out his report to the House of Commons. The following exchange then took place:

Mr. Harkness: I think the statement or the implication at least was that they had subsequently been satisfactorily answered.

Mr. Henderson: That is not so, sir.

Mr. Harkness: You have had no subsequent answers from the corporation to these various observations of a satisfactory nature?

Mr. Henderson: Not to my knowledge, sir.

I do not think anything could be more definite than that. However, in addition to that it was disclosed in evidence that the Auditor General had written a letter to the Minister of Industry, Trade and Commerce (Mr. Pepin) containing the observations and criticisms which subsequently appeared in his 1968 report, a report which has been quoted extensively when the House has been considering this bill. I questioned the Auditor General in connection with this matter and he said he had written the minister but had received no answer from him; he had received no request to see the minister, although he indicated that was the purpose of his letter. In other words, the letter was completely disregarded.

● (8:10 p.m.)

When the minister appeared before the committee I questioned him about this matter. I quote from the Minutes of Proceedings and Evidence No. 7, page 7-13, as follows:

Mr. Harkness: As the Auditor General said, the whole purpose of his meeting with the board and his attempt to meet with you was to get explanations of this, if possible, so that he could change it and not put it in this form.

Mr. Pepin: All right; I agree with that; and I have already apologized for not having acknowledged or answered his letter. But I am trying to explain what actually took place.

The minister went on with many explanations, but I do not think anybody on the