

Dissolution of 1967 Expo Corporation

The escalation of costs is symptomatic, I think, of the manner in which the Liberal government has conducted itself during the past six years. The cost to the Canadian taxpayer of Expo was to be \$20 million; that cost has escalated to a present known figure of \$145 million, which is a seven-fold increase. That increase is greater than for the Arts Centre, which originally was to cost \$9 million and wound up costing somewhere between \$45 and \$50 million. The final cost will be close to \$50 million. While the cost of the Arts Centre increased by a multiple of five of the original estimated cost, the cost of Expo escalated by a multiple of seven of the original estimated cost, and we have no explanation as to why these costs should have escalated to such an extent. Why has such a huge deficit finally developed in connection with these undertakings? Certainly, I do not think opposition members of the House are prepared to pass this bill without hearing some satisfactory explanation of these terrific increases in cost which have taken place.

Anyone looking over the Auditor General's report for the year ending March 31, 1968, and reading his comments from pages 32 to 38 and 184 to 188 in connection with the Canadian Corporation for the 1967 World Exhibition will feel his hair stand on end. He will find that things happened which ought not to have happened and that the earlier comments the Auditor General made about the conduct of this Corporation's affairs were ignored. I wish to refer to a number of these incidents, as reported by the Auditor General. Of course, all this shows that if the government wishes to save money it ought to increase the Auditor General's staff instead of decreasing it. If it wants to guard against its own thriftlessness, the government ought to increase the Auditor General's staff.

One of the matters dealt with at page 32 of the report is the inability of the joint auditors—of the Auditor General and the Auditor of Quebec—to express an opinion as to the correctness of the revenues of the Canadian Corporation for the 1967 World Exhibition. The last paragraph on that page of the report reads:

Prior to the opening of the Exhibition, the auditors drew to the Corporation's attention certain aspects of internal financial control that required improvement and certain important decisions... had to be taken—

Then, the report continues:

However... the joint auditors were unable to express an opinion as to the correctness of revenues aggregating \$101,438,000—

This situation was communicated by the auditors to the then Minister of Trade and Commerce, who is now I think our Secretary of State for External Affairs, and to the Minister of Industry and Commerce of the Province of Quebec. So, here we have a statement that \$101 million was taken in by the Corporation, but there is no proper means of checking the figures. The Auditor General does not know whether the statement of revenue is correct and cannot say how much money may have been lost. The matter was brought to the government's attention at that time but nothing was done. This, in other words, is another example of the carelessness and ineptitude of this government.

Mr. Pepin: Mr. Speaker, may I ask the hon. member a question or direct a remark to him. 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 and answered before. I will appear before the committee soon and will explain, with the help of my officials, all these matters. I think it would be wrong if we were to leave the impression at this time that the matter has been swept under the carpet, because it has not been.

Mr. Harkness: Mr. Speaker, I am not saying it is under the carpet. It is not under the carpet precisely because the Auditor General brought the matter forward.

Mr. Pepin: No, no.

Mr. Harkness: The minister says, no. Well, I was merely reading from the Auditor General's report to the members of the House of Commons, and that the report shows how well or how badly the government has handled the taxpayers' money.

Next, may I refer to the disposition of the Corporation's major assets, something the minister spent a good deal of time explaining. The Auditor General says that there was an agreement between Canada, the province of Quebec and the city of Montreal, with regard to the disposition of major assets. The report, at page 33, reads:

...it was pointed out that the clauses of the agreement dealing with the distribution of assets and liabilities on the winding up of the affairs of the Corporation appeared to be expressed in such general terms that there could be difficulties in their ultimate interpretation and implementation. However, no action was taken to clarify these clauses.

On this point, the minister tried to make a plausible sounding excuse by saying that it would have been so difficult to implement the