

In turn, Canada repaid \$17.5 million of the bank loans and honoured its guarantees on \$74.45 million of Expo notes.

The city of Montreal made arrangements with the federal government in May 1969, and met its share of 12.5 per cent of the \$245 million deficit by providing \$25.15 million of its notes to the Corporation, and by supplying services to Expo valued at \$5.5 million which I mentioned earlier.

[*English*]

So, the city of Montreal has given promissory notes to the federal government to the amount of \$25.15 million.

The purpose of section 5 of the Bill I am introducing this afternoon is to stop interest accruing on the outstanding notes of the Corporation payable to the government of Canada. Interest on the Corporation's obligations should cease from April 1, 1969, because the intergovernmental arrangements already explained, although finalized in May 1969, were dated April 1, 1969. Otherwise, interest would be paid twice on the same debt.

It is rather complicated but the committee will be able to look more fully into the matter, if my hon. friends want to.

Let us deal now with the write-off of the federal debts, of the federal contributions to Expo, in short, as I said earlier, of federal investments in Expo '67.

In his explanation of the budget changes before the House on June 3, 1969, the Minister of Finance (Mr. Benson) reported that the final accounting for Expo '67 had been carried out, and that Parliament would be asked to approve by legislation the arrangements made for the settlement of the operating deficits incurred by the Expo Corporation. The federal share of this deficit amounts to \$122.82 million; the Minister of Finance proposed that this amount be written off completely as a budgetary charge during the current fiscal year.

Therefore, the purpose of this bill, so to speak, is to settle that account.

Section 7(1) provides for the write-off of Canada's share of the deficit of the Corporation.

It is specified in the bill that the amount should not exceed \$125 million. The exact figure is \$122.82 million.

This measure does not involve any additional expenditures.

Dissolution of 1967 Expo Corporation

• (3:50 p.m.)

Nothing is being added this afternoon. This bill does not involve any additional expenditures. Its purpose is to strike off from Canada's accounts the share of the deficit of the Canadian Corporation for the 1967 World Exhibition that the Canadian government must make up.

Turning now to another subject, section 7 (2) authorizes the Governor in Council to defer to 1972 payments due from the province of Quebec in 1969-70 in settlement of its share of the deficit of the Expo Corporation.

I shall explain this section.

Following the dispersal of Expo's assets among the participating governments, the City of Montreal established an exhibition on the portion of the site they had acquired, now referred to as "Terre des Hommes", that you may have had the opportunity to visit, Mr. Speaker, and that surely impressed you. This exhibition was held in 1968, at a relatively high cost to the City of Montreal, we are told, especially—and the hon. member for Sainte-Marie (Mr. Valade) remembers it well—as the weather was very bad.

Anyhow, in order to reopen the exhibition in 1969, the City of Montreal sought financial support from its former Expo partners. The government of the province of Quebec viewed the additional employment and tourist income which the continued operation of "Terre des Hommes" would bring to the province, and to Canada, of sufficient importance that it undertook to guarantee Montreal's potential deficit in this venture up to a maximum of \$5.5 million. In order to make such a guarantee possible, the province requested—and the government of Canada agreed—to defer payments due from the province to the federal government in respect of the province's share of the Expo deficit in a like amount (up to \$5.5 million) until 1972, without additional interest.

In other words, as I explained earlier, the province is making monthly payments of \$1.5 million. Under this agreement, the federal government allowed the province to defer four of its payments up to a maximum of \$5.5 million and that these payments be added at the end of the reimbursement process agreed upon by the province and the government of Canada.

The net cost of the transaction for the federal government will therefore be of approximately \$1,100,000. For the coming year, Ottawa will conclude no similar agreements.