

Dissolution of 1967 Expo Corporation

avoid this costly process. In other words, had they said: let us assess what the value of each of these assets is, and then let us divide that amount on the basis of 50, 37½ and 12½, we might still be trying to assess the value of, say, a bridge which had been used for six months when we did not know exactly to what extent it would be used after! It was thought by the ministers at the time, good politicians that they were, that there was a better way of dealing with the assets than the very complicated process which was also open to them.

The third consequence of the method of disposal that was followed is that the deficit of the Expo Corporation, in these circumstances, is larger than it would have been if each of the three governments had made some payment for the assets they acquired. Suppose they had managed to assess the value of the properties involved and to distribute them among the government of Canada, the province of Quebec and the city of Montreal so that the federal government would have paid, say, \$46 million, the Quebec government \$20 million and the city of Montreal \$54 million. That would have meant \$110 million would have been deducted from the deficit that we now have which is \$285 million. But this method was not followed and consequently the deficit is higher than it would have been had the three governments really purchased the assets that are still there. How much larger is an open question because, as I have already explained, the value of these assets was difficult to determine. Moreover, it is important to recognize that while the deficit of the Expo Corporation could have been reduced in this way, the net cost of the exhibition to the three governments would have been unchanged. The only affect would, perhaps again, have been to change the amounts payable by each government towards the net cost.

● (3:40 p.m.)

For the Government of Canada,—here I am trying to anticipate some difficulties that might be raised—it is by no means certain that payment in full for any assets acquired, plus its share of a reduced deficit, would have been less costly than paying its 50 per cent share of the net cost of the exhibition. Do you understand all that? The disposition of assets on the present basis—“you, the federal government, get this for \$1, and you, provincial Quebec government, get that for \$1, and you, Montreal get that for \$1”—does not change the situation that would have been created for

[Mr. Pepin.]

the federal government had it paid for the assets it got back and also paid 50 per cent of a reduced deficit for the corporation. I hope it is clear now. Anyway you may read it in *Hansard* tomorrow!

The fourth consequence of the method of disposal used was that the process of retiring the Expo Corporation's debt was accelerated, with a consequent reduction in interest costs and in the total deficit. Indeed, had we adopted the slower method I might not have the privilege and the good fortune of introducing this legislation today.

I do not know if it is true or not, but I have been told that the Paris World Exhibition of 1893 has not yet been wound up! I cannot believe it is true, but this is what I have been told. I say this just to indicate how complicated these things can be if one follows the slower method and if once in a while you do not decide to simplify things.

In short, the method of disposal limited the further escalation of the deficit in three ways, by eliminating demolition and restoration costs in some cases, by avoiding valuation costs, and by reducing interest costs, but still showed the full cost of the exhibition to each government.

The next item is the disposition of liabilities.

[Translation]

After agreeing to dispose of the assets in this way, the three governments concerned themselves with the allocation of the deficit of the Corporation.

An agreement concluded between the governments of Canada and Quebec was put into effect on June 30, 1968, when the deficit was estimated at \$285.2 million or at \$245.2 million, after deducting the initial grants of \$40 million paid by the three parties concerned.

The 37.5 per cent of \$245.2 million, that is the share of the deficit Quebec had to assume, amounted to \$91.95 million.

To meet its share, Quebec paid \$17.5 million of the bank loans in cash and gave Canada \$74.45 million of its notes in the form of 48 notes maturing at monthly intervals and bearing interest at 5.46 per cent, the average rate payable on Expo notes.

Therefore, there has been one cash payment and the others were made in the form of 48 monthly notes, each worth approximately \$1.5 million. The province of Quebec has since been paying the amounts regularly.