

number of ambiguities in it, and that it do it now instead of waiting until the fair is over.

It is the view of the officers of the corporation—a view which I believe is shared by the officials of the Department of Finance—that the percentage basis on which the grants totalling \$40 million have been borne by the three participants in the past will apply to the future grants which are so obviously required. Because the wording of the federal act under section 12, and in fact, of the whole agreement between the three parties, appears to us to be limited to the \$40 million granted by these documents, we have been giving this matter very careful consideration. There is no provision in the federal act, of course, for the government of Canada to make grants to this corporation in addition to the \$20 million specifically authorized by section 11, by either directly or indirectly becoming responsible for unpaid liabilities of the corporation. It follows that there is no authority either for the three-party agreement to contain a provision under which the government would agree to assume liability to make payment for amounts greater in the aggregate than the \$20 million mentioned in the Act.

We are, therefore, of the opinion that whatever this three-party agreement may say, or may be claimed to imply, the government of Canada is not validly authorized at the present time to make payments exceeding in the aggregate \$20 million, even on the winding up of the corporation.

Perhaps Mr. Bryce and his associates would care to comment on this.

Mr. BALDWIN: Just a supplementary question. Mr. Henderson, have you discussed this with your legal advisers, by any chance?

Mr. HENDERSON: Yes, I have, Mr. Baldwin, and they have confirmed precisely the position I have outlined.

Mr. THOMAS (*Middlesex West*): In other words, Mr. Chairman, somebody has their neck stuck out a mile.

The CHAIRMAN: You cannot blame the Auditor General for warning us.

Mr. BALLS: Mr. Chairman, I am not in a position to speak at length to some of the points which the Auditor General has been covering. I was prepared to speak to the point which he dealt with in paragraph 57, the substance of which, I think, is summed up in the last paragraph which says "The restrictive sections of the Canadian Corporation for the 1967 World Exhibition Act, namely sections 11 and 12 outlined above, cause us to question whether Parliament originally intended that Canada should purchase securities of the Corporation." This seemed to be the point of audit criticism, and I think the point I would have to make in regard to this is that, while Parliament passed the Canadian World Exhibition Corporation Act, it also passed the loan item which approved a change in the arrangement. Parliament specifically authorized the purchase, acquisition and holding by the Minister of Finance of securities issued by the Canadian Corporation for the 1967 World Exhibition, pursuant to subsection (1) of section 12 of the Canadian Corporation for the 1967 World Exhibition Act, and subsequently to dispose of these securities, and they appropriated \$80 million for this purpose.