

For its part, the city of Montreal acquired all the assets situated on Île Notre-Dame and Île Ste-Hélène, including La Ronde and the structures, rolling stock, trackage, electrical and mechanical installations of all the mono-rail trains thereon, together with the Concordia Bridge, the Bridge of the Isles, and other bridges. These again were the assets that went to the city of Montreal. It is rather important to underline that these transfers to the city of Montreal were conditional upon the release of the Corporation by the city of Montreal from its obligations under the terms of the lease dated July 1, 1964 between the Canadian Corporation for the 1967 World Exhibition and the city of Montreal. That lease provided that the islands had to be returned to the city of Montreal in the form in which they had been handed over to the Corporation. In order to do so, the Corporation would have had to proceed with extensive dislocation, demolition and restoration which would have been rather expensive. For example, if you bear in mind that a bridge might have had to be removed or transferred to another place, the point becomes clearer. It was partly at least in recognition of this that the city of Montreal received the assets I indicated.

The major assets remaining were the art gallery, the Expo theatre and the Expo express. The two buildings were similarly acquired, that is for \$1, by the government of the province of Quebec, presumably on the assumption that they could make better use of them than the federal government. The Expo express was kept out of this arrangement, as hon. members may recall, and it was sold for \$1,880,000 to the highest bidder, which was the Société Urbaine des Transports Rapides Inc., at a public tender. My friend, the hon. member for Sainte-Marie (Mr. Valade) remembers the circumstances very well, I am sure.

Mr. Valade: I do not remember what the minister said at that time.

Mr. Pepin: He said it would be sold to the highest bidder! This was what happened. It is my understanding, however, that later on the highest bidder, that is the Société Urbaine des Transports Rapides Inc., sold the same asset to the city of Montreal for the same price.

There are four major consequences of this method of disposal that was used. The method was slightly different from others that could have been used. The assets could

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have been shared on the basis of the percentage of financial participation of the governments concerned. However, it was made on the basis which I described.

[Translation]

Mr. Georges Valade (Sainte-Marie): Will the minister allow me a question, Mr. Speaker, in order to clarify a statement?

As regards the terms of disposal properties and assets on the site, are there not also terms and conditions to be respected as set out by the Bureau of International Exhibitions, concerning the write-off or sale of the buildings?

Mr. Pepin: Mr. Speaker, after the six-month period which the exhibition is supposed to last, the pavilions must be destroyed, according to what I was told at that time, but the mayor has concluded arrangements under which most of the participating countries have donated their pavilion to the city of Montreal. It is in this context that "Man and His World", which is different from "Expo 67", began. However, from that time on, the federal government was not to be personally involved in the new form that "Expo '67" was taking, that is "Man and His World". It became then the problem of the city of Montreal.

I shall return in a brief moment to an exception to the principle that I have just stated.

[English]

One of the consequences of this method of disposal was that the expenses of demolition and of restoring the site to its original condition were eliminated. The expenses of demolition and restoration would probably have exceeded the resale value of materials and other items recovered from the site. This is the opinion of experts. In other words, had we restored the site to its previous state it would have been more expensive. In other words, the deficit would have been higher than \$285 million had we gone through the process of selling the assets.

The second consequence of the method of disposal was that it eliminated the costs of the long and complex process of valuation which would have been involved in any attempt to charge each of the three parties for assets acquired. The value of exhibition buildings, roads and other structures after an exhibition is over is related not to their initial cost but to their market value for some future use, which is by no means easy to determine. In the event, it was considered advisable to