

Closing Expo 1967 Corporation

\$142.9 million. Twenty million dollars of this amount has already been provided in the form of grants; the remaining \$122.9 million remains as an account receivable by the government of Canada. The money has already been spent and, as already noted, errors may have been made in the earlier handling of these funds when they were approved by Parliament in the form of loans rather than outright grants, as suggested by the Auditor General of Canada. It is also clear that the national debt of Canada will be increased, regardless of how the present problem is handled; I think there is no question of that.

There are two alternatives in dealing with this problem of how to treat the \$122.9 million in accounts receivable, which is certainly no longer collectible from the corporation. The first step would be to pass the legislation now before us which would simply write off this amount as an account receivable, remove it as an asset, and thereby increase the national debt by a corresponding amount. The second step would be to approve a parliamentary appropriation so that this amount would, in fact, be shown as an expenditure by the government. There would be a decision taken by this Parliament that the \$122.9 million should be considered as a grant for the purpose of financing the 1967 Expo project. Under the present proposal, as I have already noted, the national debt will be increased and there will be no corresponding expenditure to account for this increase.

In his budget speech on June 3 Finance Minister Benson noted it was the intention of the government to ask for parliamentary approval of action to remove this account receivable and thus wind up the affairs of the Expo Corporation. At page 9421 of *Hansard* he is reported as follows:

A further budgetary provision will also be appropriate under present circumstances. The final accounting for Expo '67 has now been carried out, and arrangements made for the settlement of the operating deficits incurred by the Expo Corporation, which Parliament will be asked to approve by legislation. The federal share of this deficit amounts to about \$125 million, and I propose that this amount be written off completely as a budgetary charge during the current fiscal year...

This will of course reduce the surplus on budgetary account, but will not affect our cash position. After the adjustment, the net budgetary surplus now foreseen for 1969-70 thus stands at some \$250 million.

Then, at page 9423 of *Hansard* we find this:

These non-budgetary requirements for the current year will be financed in considerable part by the budgetary surplus which I have forecast at

[Mr. Burton.]

\$375 million, before the write-off of the Expo deficit, which will give rise to another non-budgetary offset.

I suggest, Mr. Speaker, that there is some conflict between these two quotations which I have presented.

It seems to me there is no question about the legislation now before Parliament. Clause 7, subclause (1) of the bill, as it has been reported back by the committee will, in effect, constitute appropriate and adequate legislative authorization for the removal of this particular item from the accounts of the government of Canada. But the problem is, how will this action be reflected in the accounts of the government and in the accounts and reports of expenditures, as they will be shown to the people of Canada?

It seems to me, Mr. Speaker, that this is a matter for serious consideration. We should make sure the legislative measures adopted by this Parliament are in such form that the people of Canada will have a proper accounting of how their money was spent. I suggest that the proposal now before Parliament in the form of clause 7, subsection (1), as reported by the committee, will not result in a proper accounting of this expenditure to the people of Canada. First of all we had the loan; then, the loan was simply written off without any further accounting of what was, in fact, a grant to Expo Corporation and what constitutes an expenditure of public funds raised through taxation. Thus, I suggest that the alternative procedure should be to remove subclause (1) of clause 7 from the bill and to press upon the government the necessity of taking appropriate steps to bring in a supplementary estimate, to bring in another appropriation bill to deal with this item. In this way, the \$122.9 million outstanding from the Expo Corporation, which is to be absorbed by the government of Canada, would be correctly shown in the public accounts as an expenditure by the government in what was certainly a worth-while national project. This procedure would convey the true story of these expenditures to the people of Canada.

● (3:30 p.m.)

I should also like to draw to your attention, Mr. Speaker, the need for consistency in dealing with contributions made by the Government of Canada out of public funds to Expo Corporation. As I noted earlier, \$20 million was provided to Expo Corporation in the form of a grant as a result of the original legislation approved by parliament. It is in fact