

Dissolution of 1967 Expo Corporation

The Exhibition ended in the fall of 1967 and the Corporation has now disposed of most of its assets and liabilities. Its continuation would consequently no longer serve any useful purpose, it would only perpetuate the presentation of annual budgets and reports which are no longer meaningful.

What is left of the assets and liabilities of the Corporation will be vested by this bill in the Minister of Industry, Trade and Commerce. Parliament will, therefore, continue to receive an accounting for the future disposal of these assets and liabilities in the same way as it does for other assets and liabilities of the government of Canada.

Mr. Speaker, I should like to recall to the committee how the financing of the Corporation was carried out. Initially this financing was ensured by grants given by each of the three governments concerned in proportion to their financial commitments towards the International Exhibition according to the Tripartite agreement of January 1963.

Canada, as it is known, allocated \$20,000,000 to that initial financing; Quebec \$15,000,000 and Montreal \$5,000,000, that is a percentage of 50 per cent, 37.5 per cent and 12.5 per cent respectively for a total of \$40,000,000.

The subsequent financing of the Exhibition relied mostly on loans made by the Canadian government to the Corporation which totalled \$205,000,000. The Corporation resorted to loans because it had an urgent need for large amounts and because it would have been difficult to fill those needs by issuing bonds or by asking for grants from the three governments concerned.

In exchange for these loans, the Corporation issued notes guaranteed jointly by the government of Canada and the government of the province of Quebec, on a 50 per cent basis in each case. The city of Montreal was not called upon to provide any guarantee.

A third method was used. The chartered banks also made loans of \$35 million to the Expo Corporation. These loans were again guaranteed jointly by the government of Canada and the government of the province of Quebec.

Finally, a fourth method, if you wish, was used: the city of Montreal provided \$5.55 million, in addition to the \$5 million I have already mentioned, by not pressing for payment of sums owed to it by the Corporation.

While Expo was in progress, the city of Montreal carried out works worth about

[Mr. Pepin.]

\$5.55 million for which it received no compensation.

The total financing made available to the Expo Corporation was, therefore, \$285.5 million of which \$240 million was by notes and loans, \$40 million by grants, and \$5.55 million by special arrangement with Montreal, as I have just said.

[English]

My second point has to do with the distribution of assets; that is, how the assets of the Corporation were distributed among the three governments. The Canadian World Exhibition Corporation Act, Section 19(2) provides that:

The corporation shall wind up its affairs and dispose of its assets and liabilities within such time after the closing of the Exhibition and in such manner and subject to such conditions as the Governor in Council, with the concurrence of the Lieutenant Governor in Council, may prescribe.

Accordingly, Order in Council P.C. 1967-2381 of December 21, 1967 set out how the Corporation was to dispose of its physical assets. I might give an indication of the amounts of money we are talking about now. The estimated physical assets were, at cost, about \$182 million. This does not mean they were worth that amount of money after Expo. I have read that the estimated book value attached to these was in the neighbourhood of \$74 million. These were the assets which had to be distributed among the three partners.

The main effect of this order was that the government of Canada and the city of Montreal, with a few exceptions, acquired the assets situated on the land they owned. So, these were the criteria for the distribution of the physical assets: first, the property on the land, and second, the best use of the particular facility involved. I will come back to the second criterion in a moment.

• (3:30 p.m.)

As a result of these criteria, the government of Canada received on January 1, 1968, in consideration of \$1, all assets on the land known as Cité du Havre, which included the Victoria parking lot, which has been leased to the corporation by the National Harbours Board; Habitat, the stadium, the administration building and the labyrinth, the two exceptions being the art gallery and the Expo theatre. I will come back to those in a moment. Central Mortgage and Housing Corporation was designated to assume responsibility for the management of the assets acquired by Canada.