

Dissolution of 1967 Expo Corporation

Mr. Speaker, I feel that the committee should see to it that the minister answers all those questions

[English]

Mr. A. D. Hales (Wellington): Mr. Speaker, I appreciate the opportunity of making a few brief remarks at this time concerning Bill C-6. First, I would like to endorse what has already been said about the great success of Expo '67. As a matter of fact, its unparalleled success brought millions of people to our shores, attracted some 60 odd exhibitors, and all-in-all it was a tremendous success. There is no argument about that point in this House or anywhere else in Canada. However, we as Members of Parliament are now asked to defray some of the expenses connected with that great show.

I should like to deal with that part of this situation which affects all members of this House, regardless of party affiliation. In 1962, parliament passed an Act stipulating how Expo should operate and indicating that it should be managed in a businesslike way. Employees of the government of Canada were entrusted with this task.

In this connection, I wish to quote from the auditors' annual report for 1967 on the Canadian Expo Corporation. The auditors were the Auditor General of Canada and the Auditor of the province of Quebec, and in that report they said:

The inadequacies of the financial controls referred to in previous reports still existed at the time the Exhibition opened. Certain revenues could not be effectively checked by us and we are unable to express an opinion on the correctness of the following amounts shown on Schedule 4 of the attached financial statements—

Four years prior to that, the two auditors had informed corporation officials that they were not keeping the proper accounts and records necessary for them to do an effective audit.

• (5:10 p.m.)

What was done about it? Apparently nothing was done. The Corporation continued ignoring the reports of the two auditors and now we find ourselves in this situation today.

Mr. Pepin: That is not right.

Mr. Hales: Section 13 of the Canadian Corporation for the 1967 World Exhibition Act states:

The Corporation shall maintain in its own name one or more accounts in a chartered bank designated by the Minister of Finance with the approval of the Minister of Finance of Quebec.

[Mr. Valade.]

That is what the act states, and that is what members of this House asked the Corporation to do. But what did they do? Well, let's see.

Although two chartered banks had been designated, the Corporation conducted its banking business during the year with a third bank which had not been designated by the Minister of Finance—

They even ignored the Minister of Finance and engaged a third bank.

—and with another financial institution which was not a chartered bank.

I ask you, gentlemen, are we in this House of any use at all if the legislation which we pass is ignored? It does not matter which side we sit on, we cannot approve of this type of conduct. The report goes on:

The Corporation shall, as soon as practicable and in any event not later than one year after the coming into force of this Act, submit for the approval of the Governor in Council and the Lieutenant-Governor in Council its over-all plan for the Exhibition, setting forth the various undertakings and projects proposed by the Corporation in connection with the planning, organizing, holding and administering of the Exhibition, the estimated cost of each such undertaking or project and an estimate of the total capital costs and operating costs of the Corporation in respect of the Exhibition.

Any material changes in the plan referred to in subsection (1), including estimates of cost therein, shall be submitted by the Corporation to the Governor in Council and the Lieutenant-Governor in Council for approval.

Of course, the Corporation must have done this and given it to the minister who must have approved it. But what annoys each and every member of this House is the failure to abide by the rules and regulations set forth in the Act.

I will not take time to reiterate the examples of extravagance and waste mentioned by the hon. member for Calgary Centre (Mr. Harkness), though he did not mention them all. However, we would not find ourselves facing this deficit today had the incidents brought to our attention by the two auditors not occurred.

Mr. Pepin: You are an optimist.

Mr. Hales: Amongst other things, the Auditor General mentioned the loss on operation of a rented apartment building. The Corporation rented a furnished apartment building which was not fully used, and ended up with a loss of \$345,000.