

Financial Administration

Mr. Macdonnell (Greenwood): Yes, I think I can raise it on 77. Perhaps I should have raised it on 76. I have been looking over the directorates of crown corporations and I think there is one comment that should be made. Companies that are carrying on outside business in the ordinary commercial way have a considerable number of outside directors on their boards. That seems sensible to me because businessmen ought to be able to make some contribution from their experience outside. Some crown companies have boards composed exclusively of civil servants. I think in some cases that is perfectly reasonable because where a company is what one might call a purely legal creation for the purpose of carrying out certain decisions of a department then I would not question the board being composed wholly of civil servants. However, in cases where that is not so—and I say this with the utmost deference to civil servants for whom I have high regard—and where the members of the board are expected to bring independent judgment to the decisions that are made, I do not think it is fair to have civil servants as members because unless they are men of outstanding courage, and probably independent income also, it is not fair to expect them to hold a view contrary to that of the minister.

I am not saying this by way of complaint because in most cases I have seen, where companies are carrying on an independent life, they have independent boards. I have not examined them all carefully enough to know exactly where the division comes, but I put that forward because it seems to me to be a sensible principle.

Mr. Sinclair: Once again, this bill has nothing to do with the appointment of directors to the various crown corporations. That is provided for under the various statutes incorporating the corporations. The purpose of this bill is to provide for uniform financial control, audit and report to parliament of the corporations that have already been set up. The observations made by the hon. member would be perfectly in order with respect to any of the crown corporations mentioned so far as their own acts of incorporation are concerned, but they have nothing to do with this financial administration bill.

Mr. Coldwell: Under what audit does the national film board come?

Mr. Sinclair: The national film board is not a body corporate. It is part of a department of government. It would come under schedule A, Department of Resources and Development.

Mr. Coldwell: I asked the question because we have looked into the affairs of the Canadian Broadcasting Corporation on a number

of occasions, and I want to take this opportunity to say that, inasmuch as we have investigated the Canadian Broadcasting Corporation this session, I think provision should be made next session to review the work of the national film board in the same manner. I think members of parliament are not familiar with its work and I think the board should have an opportunity to appear before a parliamentary committee and members of parliament should have an opportunity of going into its operations.

Section agreed to.

Sections 78 and 79 agreed to.

On section 80—*Budgets*.

Mr. Macdonnell (Greenwood): The first subsection refers to "each agency corporation," and the agency corporations are in schedule C which contains Canadian Arsenals Limited, Canadian Commercial Corporation, and so on. The subsection reads:

Each agency corporation shall annually submit to the appropriate minister an operating budget for the next following financial year . . .

Subsection 2 reads:

For each corporation the appropriate minister shall annually lay before parliament the capital budget . . .

As I understand the use of the words "capital budget" it means just what it says, that we are not going to get an operating statement. If I am wrong on that point I will be very glad to be corrected, but if I am right I do not see why under subsection 2 we should not have—if I am using the words as used by the department—both a capital and an operating budget. After all, we are responsible for finding the money to operate.

Mr. Sinclair: I think that question was best answered by the Minister of Trade and Commerce a moment ago. After all, an agency corporation is in effect an agent of one of the departments. But these other corporations, which are set up independent of the operations of any department, may very often, as the member for Greenwood pointed out, have directors who are not civil servants, directors who are chosen from the business life of the country. Some of these businesses are very successful. These corporations should have a certain degree of independence such as they would have if they were private corporations. I believe that the member for Greenwood, who has just made this plea that these corporations should be directed by men with real business training, would be the first to realize that these directors, if asked to prepare an operating budget which is going to be subject to the direction or control of parliament, would