

to the statements first. At page 1141 of *Hansard* Senator O'Leary said:

So far as I can see, there is no provision in this bill for even an annual report.

Senator White said at page 1143:

Senator O'Leary pointed out the lack of any provision in the bill for an annual report, as is submitted by certain crown corporations.

Then at the top of the second column on that page, he said:

If this new corporation is going to be handed over hundreds of millions of dollars belonging to the taxpayers of Canada, why will there be no annual report or, in lieu of that why is there no provision for reporting to Parliament?

Let us see what the bill says. Clause 27 of the bill, on page 20, provides:

(1) The following provisions of Part I of the Canada Corporations Act do not apply to the company—

And certain sections of the Canada Corporations Act are enumerated. But the sections which are not excluded, in relation to the application of Part I of the Canada Corporations Act to a public company of this kind, include all the sections ranging from section 115 to section 125, which deal with the method in which the bookkeeping and accounting shall be done, the requirement for annual statements, what the annual statements shall contain—there is a very meticulous list of enumerations—the position of the auditors, the furnishing of these financial statements to the shareholders of the company 14 days before the annual meeting, and the filing of a copy of the annual statement with the Minister of Consumer and Corporate Affairs. In addition, this company is subject to all the securities provisions in the Canada Corporations Act. If it is going to offer shares to the public in any provincial jurisdiction, it is subject to the security requirements in those provinces.

Therefore, I say that there is ample requirement in this bill for this corporation—which is subject to the Canada Corporations Act to the extent that you do not have exclusions and incorporations of other and particular proceedings in the act—to furnish an annual statement. There is a necessity for this. The annual statement goes to the shareholders. The shareholders in the first number of years will be the Government of Canada, so they will get the annual statement. The Minister of Consumer and Corporate Affairs will get the annual statement. Any member of the public can go to the department and examine the annual statement, and secure a copy of it by paying a fee.

When we come to lending by the Government we find in clause 37, on page 26, the following language:

(1) Subject to subsection (2), the Minister of Finance may, with the approval of the Governor in Council, and upon such terms and conditions as the Governor

in Council may prescribe, make loans to the company and may acquire and hold securities of the company as evidence thereof.

Then, subsection (2) puts a limit of \$100 million on the amount.

Therefore, at the stage at which a decision is made, as to whether any advances are going to be made to this corporation, the advances have to be on terms that are acceptable to the corporation, of course, but are dictated or prescribed by the Governor in Council. Whatever the information required, it must be made available, and these are the terms and conditions that are laid down. So, I say that from an accounting point of view we have all these procedures for getting all the information, and it is reasonable that we should because in this bill this corporation is not an agent of Her Majesty and is not a crown corporation.

**Hon. Mr. Flynn:** Honourable senators, for a while it will be. Senator Hayden has agreed that for at least five to ten years the control will be in the hands of the Government. I think that was implicit in the objections of both Senators O'Leary and White when they said there would be no annual report to Parliament.

**Hon. Mr. Hayden:** I do not mind accepting explanations from Senator Flynn on behalf of Senator O'Leary and Senator White, although I would enjoy it more if they felt urged to do that. I have no objection to answering any question that may be asked, but I do object to having explanations interjected when I am dealing with points that were raised by previous speakers. If Senator Flynn feels he should do it then he may do so, and I will listen.

**Hon. Mr. Flynn:** I did not mean that. My honourable friend was explaining that there was no need for a report to Parliament because the corporation was not an agent of the Crown. I was just remarking that he indicated in his speech when introducing the bill that for at least ten years the control of the corporation would be in the hands of the Government.

**Hon. Mr. Hayden:** I understand perfectly what my friend says, but the fact that in the first years the only shareholders of this corporation may be the Government of Canada does not make it a crown company. Clause 31 of the bill specifically provides:

The company is not an agent of Her Majesty or a Crown corporation within the meaning of the Financial Administration Act.

How do reports of crown corporations get to Parliament? When reports of crown companies are furnished to the Minister of Finance or the Treasury Board, the ministers are under an obligation to table them in Parliament. That is the procedure. What I say is that the Government of Canada, even as the sole shareholder of the corporation, has all the rights of a shareholder, and those rights are spelled out specifically not only in this bill but in Part I of the Canada Corporations Act. The