

auditor would be appointed by the shareholder as is the normal business practice.

I also wanted to question the Hon. Member with respect to his remarks about parliamentary committees having a chance to review the work of Crown corporations. I believe he thinks there should be one parliamentary committee. While the House could do this if it wished, this Bill provides that the corporate plan, the budget and the annual report for each Crown corporation would be referred to the standing committees of the House. He stated that there are many Crown corporations. It seems more practical to me that more than one committee should be working on examining their activities. In any event, the legislation does not prevent the House, in its wisdom, setting up one committee with special responsibility.

My other question concerns the point raised by the Hon. Member when he said that Ministers do not have time to review each by-law that is made by a Crown corporation. I think that is good advice. I simply point out that Bill C-27 of the former administration, I believe, provided that every by-law made by Crown corporations had to be approved by the Government within 15 days. However, according to this Bill the board of directors make the by-laws of the Crown corporations and while they can be overridden by the Government they usually are passed and become effective as they are approved by the board of directors.

Mr. Nickerson: Mr. Speaker, the Hon. Member made some interesting and quite valid observations. Perhaps he should have listened more carefully to what I was saying because I was at pains to point out in my initial presentation that the appointment of auditors for public corporations that are not Crown corporations is made by the shareholders of that corporation, normally at an annual general meeting. However, the process of arriving at this is that the board of directors will make the initial decision as to who should be the auditors. It could be on the advice of the operating officers of the corporation but not necessarily. They then take the recommendation to the annual general meeting. I do not know of one instance when the recommendation of the board of directors on the appointment of auditors has been turned down. It would be something that happens very, very seldom. Certainly it should not happen if the board of directors is properly representing the ownership in the company.

What concerns me in the case of Crown corporations is that the Minister may tell a certain Crown corporation that he is not particularly interested in discussing the matter with anyone in the corporation because he wants to appoint a certain friendly firm of accountants as auditors because he owes them a favour for the work they did in the last election. That is what we are concerned about on this side.

With respect to the question dealing with parliamentary committees, I am of two minds. I always dislike establishing new committees because we have boards and committees coming out of our ears. I sometimes wish that we could not have quite as many. Given that, it is always hard to recommend the establishment of yet another committee but I think

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that when it comes to Crown corporations that operate in the commercial realm, there is a need for a good deal of expertise.

I suggested the formation of a parliamentary committee to which all of these matters could be referred. However, this committee would have available to it the expert staff who are skilled in things financial, accounting and in the operation of corporations of this nature and like non-Crown corporations. They would be able to go through the various reports, budgets and corporate plans that were made available and isolate those things which should be brought to the full attention of Parliament. It would be similar to the Standing Joint Committee on Regulations and Other Statutory Instruments. When the voluminous material comes in, the counsel for the committee goes through it and brings to the attention of members those things which are in need of more public debate. I prefer this to other committees, such as the Transport Committee or the Communications and Culture Committee, getting clogged up with work on Crown corporations.

The Acting Speaker (Mr. Herbert): Further questions or comments?

Mr. Thomson: Mr. Speaker, for the record I am sure that my colleague would not object to my making a small correction. It is that PWA was privatized by the Province of Alberta last November.

The Acting Speaker (Mr. Herbert): Continuing debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I believe no one will dispute the need for this particular Bill. We certainly need legislation which will do something to affect the control, development and future work of Crown corporations within the economy of Canada. There is no doubt that Crown corporations are a continuing part of our economy and the nation as a whole. However, we must review what has happened to Crown corporations. I suggest that a study of this Bill in the House and in the committee might help us better understand what happens to Crown corporations that makes it necessary for us to change the legislation which controls them.

I could easily give at least six examples of how Crown corporations have strayed from their original purpose. They are costing the country money without contributing any money to the economy. I suppose the best and most publicized example we have had lately is Canadair. Looking into Canadair gives one an insight into the need for some kind of legislation to control and make Crown corporations accountable.

● (1210)

When Crown corporations are formed, they are formed for some particular reason. They are considered to be vehicles of public policy which will do something for the country. If they are of no value, they will not do something for the country. If they do not fulfil some government policy, they should not be formed. We develop these Crown corporations so they will provide some kind of economic direction, some kind of commercial entry into a particular market, some need, or some