

*Financial Administration Act*

their approach it was possible for the Minister of Finance to give a Crown corporation access to the consolidated revenue fund regardless of whether its legislation provided for such access. That simply ignored the view that unless there is explicit provision for such access, the corporation should not be allowed to use public funds in that way.

Furthermore, in our Bill there are clear measures for protecting the Crown's assets, including restrictions on the right of Crown corporations to retain proceeds from the sale of real or personal property. The proposed legislation carefully circumscribes the right of Crown corporations to pledge government property as security for loans. Also, Crown corporations are required to inform the appropriate Minister, indeed the Treasury Board, of new developments which could affect performance or funding of those Crown corporations.

Let me turn now to two features of the new Bill on which there has been considerable debate here today and previously; that is, the power of direction and the appointment of the chief executive officer of a Crown corporation. Bill C-24 recognizes in a forthright and realistic way the critical role the chief executive officer must play in the sound management of a Crown corporation. Surely in any situation where there is a single shareholder, as in the wholly-owned Crown corporations and wholly-owned subsidiaries, the shareholder, that is to say the people of Canada represented by their elected government, should be responsible for the appointment not only of the directors of the corporation but also of the chief executive officer. It seems to me any other arrangement is patently inconsistent with any reasonable concept of improved control and accountability. It is reasonable to assume that in making such appointments the Government would consult the appropriate board of directors. However, there is no question in this Bill on where the appointment responsibility resides. Under Bill C-27 the chief executive officer would have been appointed by the board of directors. However, it is important to note that even under the Conservative administration's approach, such appointments would have been subject to government approval. Therefore, while there has been some to do about who appoints the chief executive officer, under the Conservative Government the appointment would have been by the Government as is in Bill C-24, because the Government—

**Mr. Thomson:** Come, on, John, that is a misrepresentation.

**Mr. Evans:** The board of directors would appoint the chief executive officer subject to the approval of the Government. That was part of Bill C-27 and Hon. Members opposite simply cannot deny it.

The provisions in the new Bill as to where the responsibility lies are much clearer. When you come right down to it, it seems to me that responsibility has to lie with the sole shareholder, being the people, who are represented in Parliament by the government of the day. The government is in turn held accountable by other Members of Parliament. Where else would the responsibility lie for appointing the directors, the people who are going to run corporations which operate on assets belonging to the people of Canada? It seems to me

obvious that Bill C-24 puts the matter in proper perspective and deals with this issue in the manner in which it should be dealt with.

As for the directive power, Mr. Speaker, the proposals of this Government and of the Opposition in Bill C-27 are for a broad universally applicable power of direction. What is sought here, of course, and there is no dispute on this objective, I believe, is the power of direction by which the Government can unambiguously direct its Crown corporations to pursue public policy or other objectives the Government has determined to be in the public interest. After all, if that were not the case, there would be no rationale whatsoever to Crown corporations. In Bill C-27 these directives would have been made available to Parliament. The same provision is found in Bill C-24. Bill C-27 said that the directives have to be made available to Parliament, and Bill C-24 says the same thing. In Bill C-27 the cultural corporations would have been excluded from directives touching on issues of artistic integrity. The same general principle is incorporated in Bill C-24.

● (1530)

The difference arises on this directive power in that while we believe the measures we have suggested for preventing improper use of directives are just as effective as those which were included in Bill C-27, they do not provide opportunities to the Crown corporations to evade their responsibility in complying with the directives issued to them by the Government. Unlike Bill C-27, the proposals found in Bill C-24 make no universal provision for compensation to be paid to the Crown corporation for the implementation of a directive given to it by the Government that would result in increased costs or losses to the corporation. Hence, Mr. Speaker, by taking this route, the Bill provides no explicit means or incentives for Crown corporations to attempt to defer the implementation of programs which would be called for under public policy directives.

It is important, Mr. Speaker, that if the Government in its wisdom feels, subject to the scrutiny of the Opposition in the House of Commons, that a public policy interest needs to be served by a Crown corporation, it should not be possible for that directive given to a Crown corporation to be circumvented by the Crown corporation saying that it would not be a money making proposition or that the costs would be exceeded by what the Crown corporation feels to be the benefit, when in fact the matter is of a public policy nature, the responsibility for which is being taken by the Government's being held accountable in the House of Commons. It is not the place of the Crown corporation to say it will not comply with that directive under certain circumstances.

The Conservative Government's approach would have held the board of directors entirely responsible for carrying out Government directives. Our Bill retains the board's responsibility for efficient and effective implementation of the directives. However, we acknowledge that the ultimate responsibility for the directive itself belongs squarely with the Government. The Government is to be held accountable here in the House of Commons and in committee for the directives