

ple—goes into a joint venture for offshore exploration with two or three other oil companies, would the Hon. Member believe that Bill C-24 should allow the Government to issue directives to a jointly held public and private corporation? We do not think it should be the case. That is why they are not included. It is not a matter of having these corporations outside of the control of government; it is because they are, by definition, joint ventures between the private sector and the public sector. If the Government were able to give directives in the way that Bill C-24 would imply, and if that kind of reporting was required publicly, it is highly unlikely that such joint ventures could ever be put together. That is part of the problem. I do not think the Hon. Member for Kingston and the Islands dealt with that particular issue.

There are 315 Crown corporations and corporations in which there is a public interest. The total number of Crown corporations is 67, and there are 128 wholly-owned subsidiaries. The legislation will apply to them. The additional corporations in which the Government has an interest are not covered in that way by the legislation for the reasons that I have just described because they are joint ventures with private sector companies. They are investments by the Government, partial investments in ventures and so on.

The second thing I would like to say is that this particular legislation has come about as a result of a great deal of consultation between the President of the Treasury Board (Mr. Gray), the Minister's officials, and the Auditor General who really is the instigator of the move to put together legislation of this kind. The Hon. Member for Kingston and the Islands read part of the Auditor General's 1982 report into the record where he said that there needs to be greater accountability; there needs to be greater control. The Auditor General, it could be said—and I think over the years it can be said quite honestly—is the instigator of this legislation. I think that was what was behind the legislation that was introduced by the previous Conservative Government under the title of Bill C-27.

And so, Mr. Speaker, the Auditor General is the driving force and the revelations that he made are the motivating force behind this legislation. Therefore it would seem to me that an assessment of the legislation by the Auditor General would have some validity and carry some weight in this House of Commons. It happens, Mr. Speaker, that the Auditor General has been in consultation with the President of the Treasury Board and he has examined the draft legislation.

● (1520)

Mr. Thomson: Not until after the Bill was tabled.

Mr. Evans: He knew what was to be put forward in the legislation. The Auditor General has written to the Prime Minister (Mr. Trudeau), I believe, indicating that he strongly supports the legislation. I think the wording was that it should find the support of the broad base of Members of Parliament from all sides of the House. That is not a direct quote but I remember seeing such correspondence. The Auditor General was saying that this legislation should receive the support of Members of the House of Commons because it deals in very

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large part with the issues raised by the Auditor General himself. He, after all, as I just mentioned, was largely responsible for bringing to light the need for this legislation in the first place.

There is also a need to make comparisons, Mr. Speaker. I know the previous Conservative Government brought forward legislation in the form of Bill C-27 in the 1979 Parliament which was meant to deal with this issue. We have brought forward Bill C-24 which stands before us today, and I think it is important that we compare these two Bills to see if, as the Opposition seems to be saying, this particular legislation before us today has serious shortcomings of a kind not found in Bill C-27. In other words, to find out if Bill C-27 was greatly superior to that which we find before us today.

Nowhere is the contrast more revealing, Mr. Speaker, than in the degree of clarity and the standards of financial management and auditing required of Crown corporations by Bill C-24. The requirements are far more clear than they were in the previous legislation in that corporate books must at the very least be kept in accordance with standard accounting practices required in the private sector. Examination of management performance is specifically designed to ensure that management practices are adequate and fulfil the purposes of the corporation.

Our Bill provides, moreover, that information provided by Crown corporations must be shown according to major business activities. This is terribly important because Members of the House of Commons have said in the past that while we get an annual report, we do not know how it relates to individual areas of corporate business in general or the business being done by wholly-owned subsidiaries. This legislation requires that Crown corporations report on a line of business basis so that Members of Parliament and the public generally can have a clear idea of what it is the Crown corporation is doing and in what way these activities lead to the accomplishment of the goals and objectives originally set out for the corporation.

All Hon. Members will also recognize that in this new Bill the audit regime has been strengthened substantially. It will ensure the Crown corporation will be acutely aware of its responsibilities to directors, the Government and Parliament for the continuous monitoring of corporate operations.

The Opposition, in particular, Mr. Speaker, cannot fail to agree that we have responded more fully to the concerns of the Auditor General with respect to his mandate and the general auditing position than would have been the case in the previous legislation. Under this legislation he will have the right to become the auditor of Crown corporations. It is necessary to remind the House that Bill C-27 made no provision to confer a statutory right on the Auditor General to audit any Crown corporation. It merely included a provision which made him eligible to be appointed to audit those corporations where he did not already have that right conferred upon him in the incorporating legislation.

With respect to the borrowings of Crown corporations, the provisions of the legislation now before us are demonstrably superior to those found in the Conservative Bill C-27. Under