

Energy, Mines and Resources

ourselves is, well, if the government is to spend funds on a Crown corporation, if it is to buy one in the private sector, does Parliament not have the authority to question the minister about the expenditure of those funds, to hold him accountable, to demand that he give some adequate explanation? The answer is, no. It is not apparent from reading Bill 102, as it stands. Your Honour must look at it in the context of the energy security bill, Bill C-94, now withdrawn, now dismembered, now being introduced by its various parts. When this section allowing the creation of unlimited Crown corporations is juxtaposed with the Canadian ownership account provisions of Bill C-94, Section 65.26, one finds that the government, through the Minister of Energy, Mines and Resources, is permitted to spend money from the so-called Canadian ownership fund, to take tax dollars which have been taken from Canadians, and hold them in a separate fund. That money can be spent to acquire the shares in a new corporation. Section 65.26(3)(b) states:

—subject to the approval of the Governor in Council and in accordance with such terms and conditions, if any, as he may, on the recommendation of the Minister and the Minister of Finance prescribe, such amounts as are from time to time required by the Minister for investment in shares, debentures, bonds or other evidences of indebtedness of any person in order to increase Canadian public ownership of the oil and gas industry in Canada through share and property acquisitions and to repay loans or expenses incurred for that purpose.

If the Minister of Energy, Mines and Resources wants to create or buy another multi-billion dollar oil company or company operating in any other energy-related field, all that he need do is to reach into the Canadian ownership fund to take money to use at his own discretion to purchase this new Crown corporation or he can simply go out and incorporate a new Crown corporation under the terms of the Canada Business Corporations Act.

What this means is that once again, in the expenditure of conceivably billions of the taxpayers' dollars, Parliament is being cut out. Parliament is being denied the opportunity to protect the tax dollars of our constituents which are held by us in trust on their behalf. We are being prevented from discharging our responsibility there. This is the minister's idea of plugging Parliament back in, ensuring that Parliament can discharge its responsibilities. Well, what are its responsibilities? We do not know. When the Lambert commission, the Royal Commission on Financial Management and Accountability, looked at the whole question of control of Crown corporations, it was quite explicit. On page 333 of its report, it states:

Ideally, Parliament should approve the mandate for every Crown corporation—

Some hon. Members: Hear, hear!

Mr. Beatty: It goes on to state:

—as indeed the case where individual constituents acts are used to establish a Crown Corporation. Involvement of Parliament at the moment of creation provides no guarantee, however, that the mandate will clearly define the nature of the task, the objectives to be met, and the powers to be delegated.

The commission further stresses that point. On page 334, it states:

Parliament should give prior approval, in the departmental or constituent act, to permit a minister to recommend to the Governor in Council the incorporation of a company under the Canada Business Corporation Act.

The Lambert commission recommended a similar regime to apply to subsidiaries of Crown corporations. If the President of the Treasury Board were speaking this evening, he would say, "That is surely what we are doing tonight. We are saying in this act that the Minister of Energy, Mines and Resources will be able to do precisely that". I would invite the minister to speak to Mr. Justice Lambert and ask him whether, when he discussed the need for Parliament to give prior approval, he meant that the prior approval would come in the form of a blank cheque to be drawn on the account of the taxpayers of Canada.

Mr. King: Totally irresponsible!

Mr. Beatty: The government is making a serious attack on the ability of Parliament to protect the public purse. It is worth asking ourselves, where could the public purse come into risk? After the minister has bypassed Parliament in the creation of these new Crown corporations, after he has bypassed Parliament in financing them through the Canadian ownership fund which does not come into the estimates of Parliament and does not have to be voted upon by Parliament, that is surely where the liability of Canadians ends. However, that is not the case. If one reads Bill C-102, one finds that Clause 1 will add Section 6 to the Energy, Mines and Resources Act, and Clause 6(3) will read as follows:

A corporation is for all purposes an agent of Her Majesty and its powers may be exercised only as an agent of Her Majesty.

It is rather arcane language, but not something which the average Canadian would feel is particularly objectionable. What does it mean? It means that a Crown corporation is being created for which the taxpayers of Canada will be responsible if the government acts in a way which is irresponsible. The people who will have to pay the bills at the end of the day are the taxpayers of Canada. All the debts incurred by those Crown corporations set up under this bill will become liabilities of the Government of Canada. Consequently, they will have to be paid for by the taxpayers of Canada.

Therefore, once again, we find that without Parliament being plugged in, the taxpayer gets stung. What is interesting is that these Crown corporations will be incorporated under the Canada Business Corporations Act. However, the decision to grant the agent of Her Majesty status goes directly against one of the principles in the Canada Business Corporations Act. That is the principle of a corporate veil. If Your Honour incorporated a private company today, and if it went bankrupt, the shareholders of that company would not be liable for the debts of the company. The principle of a corporate veil is included in the Canada Business Corporations Act. There is a difference here. The shareholders of those Crown corporations, the people of Canada, will be responsible for every penny of liability incurred by these new Crown corporations acting as agents of Her Majesty.