

Crown Corporations

The need for the type of legislation proposed in Bill C-27, Mr. Speaker, was well known before our government was in office. For many years, questions have been asked in the House about activities of various Crown corporations of which ministers have little knowledge. The standard response of "I do not know, but I shall try to find out", proved not only frustrating to the opposition, but embarrassing to members of cabinet. The 1975 Estey inquiry into the affairs of Air Canada not only criticized the lack of accountability to the government, but disclosed details of questionable transactions, shortcomings of financial control accounting procedures, and of fiscal management in the corporation. These findings were substantiated by the Auditor General's 1976 report to the House. That report concluded as follows:

In the majority of the Crown corporations audited by the Auditor General, financial management and control is weak and ineffective. Moreover co-ordination and guidance by central government agencies of financial management and control practices in these Crown corporations is virtually non-existent.

Two subsequent reports from the Standing Committee on Public Accounts in July, 1977, known as the Polysar report, and the Atomic Energy of Canada Limited report in February, 1978, reiterated the Auditor General's findings.

I remind the hon. members on the other side of the House that it was the Privy Council office in 1977 that published the so-called "Blue Book" which dealt with many of the concerns raised in the reports I have just mentioned. The numerous responses to this book from Crown corporations, the Canadian Institute of Chartered Accountants and the Auditor General, led to the establishment of an interdepartmental task force in mid-1978.

I know it is not the conventional thing in the deliberations of this House, Mr. Speaker, to refer to public servants, but perhaps I can break with the convention and say that in the time I worked with the public servants who served on the Crown Corporations task force, I was impressed by their dedication to the public interest and their concern in addressing those worries which the Auditor General, the Lambert report and members of Parliament, expressed about the need for proper accountability and control of Crown corporations. I should like publicly to express my appreciation to the members of the Crown corporations task force for the tremendous contribution they made.

The task force, which consisted of officials from the Privy Council office, the Department of Justice, Treasury Board, the office of the Comptroller General, the Department of Finance and a Crown corporation, redefined the policy expressed in the "Blue Book". This happened before the Clark government came to office in May, 1979, but that government saw the importance of this initiative and quickly introduced legislation in Parliament.

It was after these efforts took place that our government decided to act upon the further findings of the Lambert commission. It recommended, among other things, a more direct reporting relationship between Crown corporations, management, and Parliament. Our intent was to act upon the Lambert report and the many others that were filed during the

previous government's term of office. Although it would be impossible ever to devise a bill that everyone agreed upon, our government was satisfied that strong opposition would not come from any of the quarters affected by the bill. Moreover, let me re-emphasize that there was no ideological premise to the bill. It was designed to bring control, direction and accountability to Crown corporations of the variety any democratic system ought to be able to insist upon. In brief, Mr. Speaker, there would seem to be no reason why the current government should not want either to support the bill we introduced, or table a new one of similar substance without delay. Yet, Mr. Speaker, the government continued to sit on the legislation.

As 1980 draws to a close, are we to wait for yet another Auditor General's report criticizing the current control and direction of Crown corporations before action is taken by the government? Or is the government prepared to follow the course our government set, and restore public confidence in the abilities of Crown corporations to fulfil the policy goals their mandate dictates? Mr. Speaker, the time to move on legislation is now, while the initiative is still fresh. It would be a tragedy for Parliament and the Canadian people if this bill were allowed to wither, simply because of a lack of will to make hard decisions and bring legislation before the House without delay.

I urge the government to give an indication to the House today that it is prepared to give attention to and address the concerns shared by members of Parliament on all sides of the House, and which were expressed by a number of Crown corporations, by the Auditor General, by the Lambert commission and by members of the public. This matter cannot be delayed. It begs for urgent attention.

Some hon. Members: Hear, hear!

Mr. Robert Gourd (Argenteuil): I would like to begin by sharing with members of the House the important past and current role of Crown corporations or public enterprises in the achievement of government objectives. Even before confederation, governments had chosen a public enterprise model to reach a particular goal. In 1841 a Board of Works was created in the United Provinces of Canada to construct a canal system, and a number of harbour boards were also set up as public enterprises before confederation.

In Canada, the development of federal public enterprise is almost completely synonymous with the development of the Crown corporation form of administration.

After confederation in 1867, the federal government continued to use the Crown corporation form for administration of harbour facilities throughout the dominion. All of the individual harbour Crown corporations were eventually subsumed into one—the National Harbours Board.

The year 1919 marked the point at which the federal government made a massive venture into public enterprise and created the company that remains our largest Crown corporation, the Canadian National Railways. The pre-war railway construction boom had ended with only the CPR in sound