

the appointment and removal of all non-officer directors subject to the approval of the Governor in Council. Furthermore, wording has been added to the bill to specify sanctions for wilful neglect of duties by corporation officers.

With respect to the question of ministers, questions have been asked about the role of ministers under Bill C-24. Accordingly, there was inserted in the bill a statement taken from the current Financial Administration Act stating that each crown corporation is ultimately accountable through the appropriate minister to Parliament for the conduct of the affairs of the corporation. That amendment responded particularly to a point raised by the Auditor General.

Another provision of the original bill which was felt to not sufficiently engage the attention of Parliament, was a provision that motions of concurrence not be necessary in respect of an order laid before the house which would move a corporation from Part I of Schedule C to Part II of Schedule C. The government agreed to an amendment which, in effect, reinstates the motion of concurrence and thereby reinstates or re-engages the activity and attention of Parliament.

Senator Roblin: What is the difference between the two parts of Schedule C?

Senator Frith: I have not studied the schedules as I ought to have. However, as I understand it the provisions of the Financial Administration Act and the manner of financing a crown corporation depend to a large extent on what schedule it is under.

The Auditor General also raised the criteria for scheduling the various crown corporations and, as a result, the bill as passed by the House of Commons was amended to state that crown corporations would be scheduled in Part II of Schedule C, only if in the opinion of the Governor in Council they operate in a manner generally independent of operating appropriations and in a competitive commercial environment. Also, a section was added which states that no corporation can be added to Part I or Part II unless, in the opinion of the Governor in Council, that corporation would not more appropriately be placed in Schedule B.

The Auditor General was concerned with other acts of Parliament which currently permit the creation of parent crown corporations without reference to Parliament. With the exception of the Atlantic Fisheries Restructuring Act and the Canada Ports Corporation Act, to which I have already made reference, the government has agreed that all existing statutes which permit the creation of parent crown corporations without reference to Parliament would be amended to remove that power.

A number of amendments to the bill respond to concerns expressed by the Canadian Institute of Chartered Accountants. For example, the government has deleted all provisions which would allow Treasury Board to authorize departures from the generally accepted accounting principles in the preparation of financial statements of crown corporations. The auditor of a crown corporation now would be granted qualified privilege similar to section 166 of the Canada Business Corporations Act.

In this way, he or she will be protected from liability in respect of statements made fairly in the discharge of his or her duties, as is the case with regard to corporations under the Canada Business Corporations Act. The auditor's report would be addressed to the appropriate minister and would include separate opinions on both financial and non-financial information.

Honourable senators, throughout the consultative process which led to the final product which we see before us today, the government was pleased to see the firm desire and the co-operative spirit with which the official opposition and other members of the house approached the matter of amendment to see that much needed framework to control and render more accountable federal crown corporations was put in place. There was also a strong desire evident in some substantive way to the views of the Auditor General, the business community and others, in order to arrive at a bill with which all parties could feel satisfied. The hope is that the Canadian public will ultimately benefit from this stronger control and accountability regime.

Honourable senators, I perhaps should add an apology on behalf of the government for asking the Senate to pass this bill today at all stages given its complexities. My only justification is the attention it has received and the fact that all parties in the other place have supported it in its present form. In effect, what we are doing is acceding to a request from the other place to enable its work to have fruition today. There is no question but that this bill would otherwise require much more detailed study than I am asking it be given today. Therefore, I ask for support on second reading.

Hon. William M. Kelly: Honourable senators, I am pleased to rise to speak to Bill C-24, the government's long awaited crown corporations bill. In my opinion, notwithstanding the fact that my party in the other place has supported it somewhat grudgingly, it is just one more bill which ought not to have made it to this chamber, particularly in this form. I do not think most of my colleagues even have a copy of it. I have the original bill and a bunch of amendments in my hand.

In previous speeches in this chamber—and I have not made that many—I have tried to reflect my commitment and belief in the role of the Senate chamber as the chamber of sober second thought. On that basis I have tried to speak as a concerned Canadian and I have studiously avoided partisanship. I have often wondered, however, on what sort of occasion I would find myself delivering a partisan speech. With this bill, I now have the answer. I wish to advertise in advance that this will be my first voyage into the area of making what I consider to be a somewhat partisan speech.

Senator Frith: But not the last!

Senator Kelly: Bill C-24 is here because the government knows that the public is weary of sloppy management and mismanagement. In its present form, Bill C-24 is still a considerable amount of smoke and mirrors. It is a sloppy and flawed piece of legislation hastily put together to fool the Canadian people into believing that this government is really