

*Supply*

owned corporations which the Auditor General has highlighted in his report.

I want to remind the House that a previous Liberal Government initiated a major study of the broad issue of the direction, control and accountability of Crown corporations. The study led to a blue paper which was published in 1977 and outlined proposals of the Government of the day regarding a renewed relationship between the Government and Crown corporations. This initiative led to important discussions among interested parties on the role of Crown corporations and the degree of Government and parliamentary direction, control and scrutiny which would be most appropriate. Certainly the Bill presented by the Government of my hon. friends opposite drew extensively on the work done by previous Liberal Governments.

**Mr. Beatty:** From which you backtracked.

**Mr. Gray:** Also, Mr. Speaker, the proposals which this Government introduced on June 30 are the result of further consideration of views expressed by Parliamentarians, the Auditor General and the Lambert Commission, balanced by the recognition that wholly-owned corporations are not Government Departments and that these corporations require a flexible relationship which allows them to function in a corporate environment in accordance with sound business principles.

Now, Mr. Speaker, the Auditor General in his recent Report concluded that legislation is necessary to require comprehensive audits for all federal wholly-owned corporations. I want to remind the House that the Government had already noted the previously stated recommendations of the Auditor General and the Public Accounts Committee requesting that comprehensive audits become a requirement for Crown corporations. It was with these recommendations in mind that the Government announced in the policy statement, which was made public at the same time as the amendments to Bill C-123, that it would use the proposed shareholders' rights authority, which would be granted to it through the Governor in Council, to require management systems audits when and if necessary.

● (1630)

As I stated earlier in my remarks, Bill C-123 is only part of the Government's total package respecting Crown corporations reform. It should be noted that the comparison made by the Auditor General, in his very useful Report between Bill C-123 and Bill C-27 does not reflect those aspects of direction, control and accountability measures which are addressed through the improved utilization of existing legislative authorities contained in the constituent Acts of Crown corporations and in the Financial Administration Act; nor does the comparison reflect the organizational and administrative measures which complement the proposed amendments to the Financial Administration Act.

I would remind the House that with respect to the corporate financing area the Government has proposed an amendment to the Financial Administration Act which would provide a

general authority for the Minister of Finance to approve the borrowing activities of any wholly-owned corporation subject to general regulations issued by the Governor in Council.

To conclude, I also want to remind the House that the Government House Leader (Mr. Pinard) has said he is negotiating with Opposition House Leaders with a view to having Bill C-123 divided so that the Crown corporations section can be the subject of a separate Bill. I hope there will soon be agreement on this so that this important subject can be given the focus and attention it deserves. I am presently very actively reviewing the comments and recommendations in the latest Auditor General's Report to see if they can provide a basis for further possible amendments to Bill C-123, and I will certainly be discussing this actively with my colleagues.

It would appear that all Members of the House are in agreement that there has to be an improvement in the over-all means of ensuring the accountability and direction of Crown corporations. We do not differ in this regard—

**Mr. Beatty:** We want them accountable to Parliament; we do not want them accountable the Liberals only.

**Mr. Gray:** —although obviously there is a very serious difference in perception when it comes to the most appropriate way of going about this. There is a very serious difference in perception when it comes to looking at the views of the Official Opposition about the nature of the success of Crown corporations in building Canada and the views of the people on the Government side of the House.

My hon. friends have made some reference to improved accountability of Crown corporations to Parliament. They seem to have forgotten that it was the Government, and the Members of Parliament supporting the Government, that took the initiative to adopt the report of the Special Committee on Standing Orders Procedure just recently and which becomes operative when we come back in January.

**Mr. Clark:** That is not true either, Herb.

**Mr. Gray:** This report has amended Standing Order 41 to ensure that:

Reports, returns or other papers laid before the House in accordance with an Act of Parliament shall thereupon be deemed to have been permanently referred to the committee designated by the Member tabling the report, return or paper.

**Mr. Beatty:** That certainly sets my mind at ease.

**Mr. Gray:** Also, Mr. Speaker, this House has adopted the recommendation which has led to a change in the Standing Orders to the effect that:

Within 120 days of the presentation of a committee report the Government shall, upon the request of the committee, table a comprehensive response.

**Mr. Clark:** If the committee requests.

**Mr. Nielsen:** Only if the Government wants it.

**Mr. Gray:** Bill C-123 which was tabled months before the Auditor General's Report also helps prove our resolve to bring about improvements in the framework, direction—