

original bill included some crown agencies that felt they ought not to be covered by it, particularly cultural institutions. That was one cause of the difficulties in the other place and, consequently, the bill soon became the subject of a great deal of work by all parties of the other place and by a parliamentary committee. According to some members of the opposition, the bill that resulted from that work does not resemble very much the government's original bill. To put it in a positive way, the bill we have before us is, to use an expression often used in the United States, bipartisan or, better yet, tripartisan in nature.

While the other place was debating this bill last night, some members of the opposition who had worked very hard on it and were very vocal and persistent critics of it in its original form saw good reason to rejoice in the final bill, which is what we have before us. This bill is the result of a good deal of work and a good deal of amendment. The legislative framework for control of our crown corporations has not had a major overhaul in over 30 years. Various attempts have been made to do so both legislatively and administratively. None has been successful until this bill. Members from both sides of the House of Commons have worked diligently these past several weeks, using mainly the vehicle of parliamentary committee, to reach agreement on a package of amendments. This speaks highly of the willingness on the part of the government, the official opposition and other members, to carefully consider the views expressed by the House of Commons Standing Committee on Miscellaneous Estimates and by committee witnesses, including the Auditor General, the business community and other interested parties such as the Canadian Institute of Chartered Accountants. The government and opposition reached agreement to limit debate and to try to obtain passage of the bill and Royal Assent by the time the current session of Parliament adjourns.

Honourable senators, I have had very little time to study this bill.

**Senator Roblin:** Fifteen minutes?

**Senator Frith:** I looked at the bill last night and had a bit of a briefing this morning. I regret to say that I cannot take this bill and, as we say in the courts, lead you by the hand through the various wordings and the methods by which the objectives of the bill are reached. So I have to take it on faith that this has been done in the other place. In other words, what I am about to say about what the bill accomplishes will have to be accepted, because if someone asked me where it said this or that I am afraid I would not be able to answer satisfactorily.

The purpose of the bill, as I mentioned, is to clarify the roles and responsibilities of officers, boards of directors, ministers, the government, and Parliament with regard to crown corporations and to have in place a sound, updated legislative framework for the control and accountability of these corporations. The bill as passed by the lower house will create that framework.

I would like to give you some of the highlights. First, the cultural agencies, the Canada Council, the Canadian Broad-

[Senator Frith.]

casting Corporation, the National Film Board, the Arts Centre Corporation and the Canadian Film Development Corporation, have been removed from the purview of the bill. It is the government's intention to clarify its accountability framework for them and other cultural corporations where necessary through separate legislative measures. One amendment deals with the question of binding the Crown. Honourable senators will know the law is that for the Crown to be bound it must be specifically mentioned. The Department of Justice felt that the bill was adequate in its original form but, to make sure, an amendment was agreed to which eliminated any uncertainty about the matter.

Another provision which caused anxiety was the special motion provision, which allowed the creation of crown corporations by acts of Parliament by special motion. The special motion provided for automatic time limitation so that no time allocation would be placed. The opposition succeeded in persuading their fellow parliamentarians that that was not a good idea, and it was simply eliminated. Then there is the problem of creation of crown corporations by ministers. Again, it was agreed to amend the bill to remove those provisions in certain pieces of existing legislation that allow a minister to create crown corporations. There were two exceptions, the Atlantic Fisheries Restructuring Act and the Canada Ports Corporation Act, both of which were recently adopted by Parliament. The former act allows the minister to acquire shares of existing fishery companies, and the Canada Ports Corporation Act allows the minister, on the request of the Canada Ports Corporation and with the approval of the Governor in Council, to create a local port corporation. It must name the harbours for which local ports may be established and it spells out the powers of the local ports corporations.

With regard to the boards of directors, it has always appeared to me that one of the important objectives of this bill was to make them, as distinct from the operating officers, more accountable and more active. Accordingly, this bill intends to have a strengthened role for the board of directors and to clearly set out how they and the senior officers would be appointed and held accountable for the conduct of the affairs of the corporation.

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Under the proposed bill, as amended, the board of directors would be appointed by the appropriate minister with the approval of the Governor in Council. The chairman and chief executive officer would be appointed by the Governor in Council only after the board of directors have been consulted by the appropriate minister. Additionally, with regard to Canada Post Corporation, the act respecting that corporation will be amended so that vice-presidents as well will be appointed by the board of directors.

The bill has been further amended to provide that henceforth for all new parent crown corporations all officers appointed other than the chairman and chief executive officer would be made not by the minister but by the board of directors. Also, with respect to officers, the appropriate minister representing the sole shareholder would be responsible for