

*Appointments to Crown Corporations*

development of government buildings. It gives guidance and grants to the municipalities for various public services considered to be in the interests of the nation. It establishes national monuments. This type of Crown corporation has come a long way from the purely competitive world of Air Canada and Polymer Corporation.

In addition we have the Defence Research Board. This Crown corporation attempts to apply capital, which is urgently needed for the training of our scientific manpower, to the unlocking of those mysteries and knowledge which are the key to the technology of a modern twentieth century nation.

The reasons for establishing Crown corporations are numerous. They relate to efficiency and the need to parallel the structure of private industry itself. They are often motivated by something a little less elevated than this. Those who direct them are often concerned about the ability to engage personnel without the bureaucratic organization of the Public Service Commission. I am not one of those who berate the Public Service Commission. It would be quite impossible to apply a merit system across the board without an agency like the Public Service Commission to make sure that there are uniform rules, appointments, promotions, hiring and training of staff. By going to the Crown corporation form, it is possible to come out from under the umbrella of the Public Service Commission for these personnel functions. They enjoy a great deal more discretion.

At one time I was a president of a national association of civil servants. Among the greatest frustrations we as a staff association had were those based on the managerial decisions of some of the Crown corporations. In many cases the Crown corporation was less autocratic in its behaviour, less demanding, less democratic and less consistent in the application of personnel policies than the public service.

Another reason that leads many people to prefer the Crown corporation over the public service is the ability to pay higher rates of salaries, especially to top management personnel. I do not believe that we should ever try to skimp on salaries. I believe the Governor of the Bank of Canada is worth the salary he receives. To do the job we expect of him, the head of the CNR must command the kind of salary which he receives. I do not believe that comparable positions can be found by a parallel within a deputy minister's structure of the public service. I do believe

there has been an over-all inhibiting effect within the public service, especially at the senior levels, because of the application of consistency. This is because the Deputy Minister of Finance must be the senior paid deputy and others must be slotted in beneath him. Nowhere in the world is there any such orderly arrangement with Crown corporations. Crown corporations have the freedom to attract capital, recruit, select, train, promote, compete, choose the corporate forms and make the corporate decisions that are essential in some commercial types of operation in order that they can be successful in the purpose for which they were established.

Along with this Crown corporation idea, and the format which has developed, has come the problem of public accountability. Those who maintain that a Crown corporation is responsible to its shareholders are trying to give credence to a myth. The shareholders of the Crown corporations cannot be comparable to the shareholders of a private industry. The shareholders of a Crown corporation are the public and the government. Through the minister responsible there is a nominal reporting, and in many cases it is no more than that, to account to this place for the operation.

As the mover of the motion said, we have all had the experience of the operation of a Crown corporation giving us some concern, going to the minister and the minister replying that it is an independent body and there is nothing much he can do about it. I suspect that many Crown corporations, depending upon the personality of the man or woman in charge, exercise degrees of individual independence that are hard to reconcile with the formal structure of public accountability. It is to the credit of the hon. member that he has tried to propose a solution. I do not believe he is the first to propose it. My colleague the hon. member for York Centre (Mr. Walker) had a motion on the Order Paper to do the same thing.

I believe the solution lies in part along the lines that have been indicated. On the board of directors of such corporations can be placed members who also have responsibility in this House. This is breaking new ground, but it is ground that has been broken in the province of Ontario. In the case of the province of Ontario, every Crown corporation established in that province has one or more members of the provincial legislature on its board of directors. Examples of this are the Niagara Parks Commission, the Racing Commission—