

Financial Administration Act

Royal Commission on Financial Management and Accountability.

• (1210)

[*English*]

The essence of the legislation now before the House, Mr. Speaker, is that the control and accountability of Crown corporations can best be strengthened by clarifying the roles and responsibilities of Parliament, the Government, boards of directors, and corporation managers. The result is that Parliament's role is enhanced, the ability of the Government to act as a vigilant and effective shareholder is improved, the audit system is reinforced and expanded, and the corporations themselves retain the necessary freedom to operate in accordance with sound management practices. The House will take special note of the fact that the Auditor General has expressed general support for this legislation and, at the end of my remarks, with the consent of the House I will gladly table appropriate correspondence in this regard between the Auditor General, the Prime Minister (Mr. Trudeau) and the President of the Treasury Board (Mr. Gray).

It is useful to note, Mr. Speaker, that the public and parliamentary debate on this matter has focused on questions of control and accountability. The discussion has not centered primarily on the more fundamental political or philosophical question of whether Crown corporations should exist. This is, I believe, a testament to the justifiable pride and satisfaction with which the public over many years has viewed this characteristically Canadian enterprise. Governments, at both the federal and provincial levels, have frequently in our history chosen the corporate structure for achievement of specific roles and specific policy objectives, opting for the advantages of an arm's length relationship with the Government. This corporate instrument of public policy has been employed in areas of transportation and energy, in broadcasting, and in a wide range of activities ranging from support for agriculture and fisheries to the financing of exports, the administration of ports, and the minting of coins. It is interesting to observe, Mr. Speaker, that the corporate holdings of the provincial governments, which include, of course, the large power utilities, exceed those of the federal Government on the basis of total assets represented.

[*Translation*]

I assume our Progressive Conservative friends opposite will bear this observation in mind. It is true that the provinces—which unfortunately, I must say, are almost all being run by Progressive Conservative Governments—are much more involved and have much broader powers through their provincial Crown corporations than the Government of Canada does.

That is why I fail to understand why in some areas, our Progressive Conservative friends are against federal Crown corporations, while they do not seem to have any objections to provincial Crown corporations—

[*English*]

At the federal level I want to say that it has now been more than 30 years since a general legislative framework governing the operation of Crown corporations was put in place. In bringing the legislation up to date, Mr. Speaker, it is necessary to recognize that there has been substantial growth and change in that period and that federal Crown corporations vary in many ways. Some have thousands of employees while others have fewer than 25. Some operate in a competitive environment, others do not. Some are financially self-sufficient while others depend in whole or in part on parliamentary appropriations. Some Crown corporations have rather broad mandates while others have been created for very specific purposes. Measures are therefore necessary as a beginning to clarify the manner in which these diverse Crown corporations are classified for legislative purposes.

At present, most Crown corporations are listed in Schedule B, C or D of the Financial Administration Act, but in a manner which is, I have to admit, not consistent. Through legislation under Bill C-24, all present Crown corporations will be either listed in the schedules or exempted by statute from the provisions of the Act. Each year the President of the Treasury Board will table in Parliament the names of the subsidiary Crown corporations. Through this legislation three parent Crown corporations will be exempted from the provisions of the Financial Administration Act; The Bank of Canada, the Canadian Wheat Board and the International Development Research Centre.

Mr. Mazankowski: Hear, hear!

Mr. Ouellet: The Government has concluded that in these three cases the new policy could result in inappropriate relationships given the special nature of these corporations and the provisions of their existing Acts of incorporation. I am glad to see the former Minister of Transport, who is a defender of the Wheat Board, approve this decision of the Government.

Mr. Mazankowski: Very much so.

Mr. Ouellet: The Bill has also provided that those Crown corporations of a governmental nature would be henceforth grouped in Schedule B of the Financial Administration Act and be referred to in future as departmental corporations. They would be subject to provisions of the Act that now apply to Government Departments.

All parent Crown corporations of a commercial nature will, under the Bill, be listed on a new Schedule C of the Financial Administration Act. This schedule will have two parts: parent Crown corporations operating in a competitive environment and not normally dependent on operating subsidies, such as Air Canada or PetroCan, will be listed in Part II of Schedule C; the other, more numerous corporations which are dependent upon parliamentary appropriations, such as the CBC, or that operate in an environment where competition is less severe, would be listed in Part I of Schedule C.

It is important to emphasize, Mr. Speaker, that the framework for control and accountability in this legislation also