

will result in the updating of the Financial Administration Act to provide a much clearer mandate.

The establishment of a committee, as proposed, would either duplicate the work already done or set aside the well established roles of committees already in place. Indeed, Mr. Speaker, the Standing Committee on Public Accounts—which is, by the way, ably chaired by a member of the official opposition, the hon. member for Capilano (Mr. Huntington)—has just completed five meetings in a row on management and control practices of Crown corporations, following a study on Crown corporations entitled, “Direction, Control and Accountability”, made public by the government last summer, which was under the direction of the Privy Council. The Auditor General brought people from his own staff to these meetings and also people from private firms who had been involved in the study that he had carried out, independently of this government’s own study.

The deliberations of the Public Accounts Committee are to be found in the committee’s reports, issues Nos. 10, 11, 12, 13 and 14, beginning on December 8 last. I would commend them to any member interested in the ongoing study by government and committees of this House of the affairs of Canada’s Crown corporations.

I believe it became obvious at these hearings—and I took part in them—that the government shares the concern of the Auditor General and other members of this House that there must be controls on Crown corporations with regard to the direction they are taking. In fact, Mr. Speaker, the President of the Treasury Board announced, on December 16 last, guidelines for Crown corporations. I would like to cite some passages from this document. I believe they are worth repeating.

[*Translation*]

It is expressly forbidden for crown corporations to render or accept any bribe or other improper benefit or apply improper influence in the conduct of their business. The guidelines released by the President of the Treasury Board (Mr. Andras) also imposed on Crown corporations certain obligations when retaining sales and procurement agents.

They must adopt an established selection process to ensure that the agent’s qualifications for the work are clearly established and evaluated; negotiate formally written agency agreements including specific undertakings by the agents to act in accordance with the laws of the place where the transaction occurs; establish a procedure for approval of agency agreements; ensure that remuneration under the agreements is based on justifiable and sound business practice, and that payments are strictly in accordance with the formal written agreement; disclose in their annual reports the names of their agents, as well as the aggregate of all remuneration paid to such agents, and any approved administrative exception for the policy and the reasons therefor.

Mr. Speaker, the President of the Treasury Board also wanted to emphasize that rigorous ethical standards and dedication to propriety can sometimes be expensive. What I am really saying today, the minister said on December 16, is that,

*The Economy*

while we Canadians need and want to expand our foreign trade, we are not prepared to sell our goods and services on any terms or under any conditions. Principles, just as commodities, can be expensive. We Canadians must be fully aware of the price we must pay to live by our principles, to be the kind of people we want to be and to maintain the kind of society we want to have.

It is clear enough, Mr. Speaker, that the government is aware that Crown corporations must be made accountable for their actions to the government and parliament. The guidelines released by the President of the Treasury Board and the new steps that were announced to ensure that all officials within those corporations are well aware that the new measures that were announced are going to be of great help in giving the people of Canada confidence that Crown corporations not only represent the government of Canada well but also properly carry out the terms of reference they were given by this Parliament.

[*English*]

I feel confident that these guidelines, coupled with the findings of the government study and the Public Accounts Committee’s work with the Auditor General and representatives of the Treasury Board and Privy Council, will result in the changes in accountability that the Canadian people and parliament expect, require, and deserve.

The Privy Council study mentions in its introduction on page 7 the following concerns:

To what extent should crown corporations be used as instruments of public policy when the pursuit of policy objectives may detract from the financial performance of such corporations? How can increased responsiveness to public policy be reconciled with the arm’s-length relationship which the theory of public enterprise requires government, ministers and parliament to maintain with crown corporations?

There has always been concern in this country when crown corporations are set up. Right from the beginning, it was quite apparent that parliament wanted to make sure that there would be no political finagling in the day-to-day operations of Crown corporations. This is a concern which must be reconciled with the concern that the taxpayers’ money be well spent and that there be adequate controls on the administrators of these Crown corporations so that they are in effect responsible to parliament, on behalf of the Canadian people.

The arm’s length relationship is very important in the minds of many, and indeed will require a great deal of thought and review before changes are made so that there is a consistency and clarity in the relationship between the corporation, the ministry, and parliament. There is no doubt that the present government has shown great interest and concern in the wide field of public spending and accountability. The Auditor General’s office has been strengthened both by the new legislation and by the increase in budget that allows him a greater freedom, and also very important, more personnel to enable him to carry out his work on behalf of the taxpayers of Canada. Indeed, Mr. Speaker, the Auditor General has stated in committee that he is completely satisfied with the co-operation he has received from this government and the various departments. It is also worth mentioning that the Lambert