

Financial Administration

on the order paper and receive from the department the information he wishes to have.

Mr. Adamson: I realize that. I did ask the Minister of Finance, and he said he did not have the information. I feel it would be helpful if some arrangement could be made, when a certain security is redeemed and paid off, to have the information brought down and tabled in the house.

Section agreed to.

Sections 64 to 75 inclusive agreed to.

On section 76—*Crown corporations.*

Mr. Macdonnell (Greenwood): Mr. Chairman, I wish to make some comments with respect to section 76, the first of the sections under part VIII, which deals with crown corporations. I believe this part of the bill does a good deal to clarify the situation. However, there are two points I should like to raise. First of all, a good many of the crown corporations are incorporated under the provisions of the dominion Companies Act. While I appreciate that there may have been some convenience in that—and, it may be, an overwhelming convenience—nevertheless on the face of it it seems to me undesirable that crown corporations should be incorporated under a statute which gives the powers given by the Companies Act. Many of those powers are utterly unsuitable to an emanation of the crown.

For example, let me refer to a few of the powers given under section 32 of the dominion Companies Act. Under that section a company has power to carry on any other business which may seem to the company capable of being conveniently carried on; it has power to purchase or otherwise acquire and undertake all or any of the assets of any other company; it has power to amalgamate or enter into partnership, and so on. I will not go through the list of them.

Members of the committee will agree that those to which I have referred are not powers suitable for crown corporations set up for very definite purposes. I would like to hear some comment from the parliamentary assistant; and perhaps the Minister of Trade and Commerce might care to comment upon it. This question of powers is of some importance. There may be other controls within the departments concerned which may hedge these broad powers round. Of course one is not going to assume that the directors will be so irresponsible as to take advantage of powers to which perhaps they have a technical right, but which they were never intended to enjoy.

It does not seem to me a sensible practice to have companies incorporated with powers they were not intended to have. I am wondering whether there is any real objection to these powers being spelled out in the statutes, as actually is the case in connection with some of the crown corporations.

Mr. Sinclair: In answer may I point out first of all that this bill has nothing to do with the actual form of incorporation of crown companies. What it is doing for the first time is to give a uniform measure of financial control over those companies divided into the categories set out in the schedule. Why some crown companies were set up under the dominion Companies Act, and other crown companies set up under special statutes of parliament, is a question I cannot answer. Further, it is a question beyond the scope of the bill.

The purpose of the bill is to provide a uniform method of financial control for the various types of crown corporations, and to provide for their annual reporting to parliament, through the appropriate minister. Perhaps the point raised by the hon. member could be dealt with more adequately by the Minister of Trade and Commerce.

Mr. Howe: Mr. Chairman, the crown companies that are of major importance at the moment are those that compete in fields which are not occupied by private industry and are not likely to be occupied by private industry, but which have the same problems as are met by privately-owned companies formed under the Companies Act.

It is my own theory that they should have the same latitude as private companies, subject to the checks provided through government ownership. All such companies must have their budgets for the year approved by the governor in council. I believe it is to be the practice that the budgets will be examined in future by a committee of parliament. I have suggested some time in the past that that be done, but parliament has never taken any particular interest in that phase of the matter. After obtaining approval they are allowed to proceed to carry out the approved items in the budget, pretty much as management shall decide, but with a close check on finances by the department and by the Auditor General.

I think it would be a mistake to limit the powers of a crown company to the extent that its management could not carry on business as effectively as could a private company in the same field. We have two very prosperous crown companies; and I think the reason for their prosperity is that their directors have been able to function