

exactly the same kind of accounting procedure as in private business. In many of these corporations it is virtually impossible to figure out whether it made a profit or a loss. The financial statement filed by VIA Rail is an example. It almost indicates that VIA Rail is profitable, yet we know that it costs very close to \$700 million per year to keep going. How a corporation's financial statement could indicate profitability when it costs money to operate, is beyond me. We must have financial systems that reflect the private system and what it costs to operate a corporation.

Seventh, there must be clarification of the roles and responsibilities of directors of Crown corporations. As my colleague pointed out, the Bill makes the directors of Crown corporations part of an advisory panel; they are not responsible for anything. If they make a mistake, the Government indemnifies them. If they are sued as directors, the Government bails them out. They cannot recommend the appointment of a president, a chief executive officer or a vice-president. They are well paid eunuchs.

Last, Mr. Speaker, it is essential that there be a joint Senate and House of Commons committee whose job it is to police Canada's investment in these myriad corporations. Members of both Houses must look at these corporations and their financial statements; they must examine their financial officers to make sure that the purposes of the corporation are being met.

Let me go through the various reasons for which we say this Bill is not satisfactory. With respect to rationalizing the relationship to an effective Minister, my colleague has said that we believe a Minister must be clearly on the line for what happens in a corporation. He pointed out the disaster that occurred in Canadair. There was no one Minister to take responsibility. When the buck can be passed around the Cabinet table or around a government Department, when not even the directors of the corporation are responsible, then this particular method of dealing with Crown corporations is faulty. For that reason only the Bill is faulty.

Let me go further, Mr. Speaker, and deal with implementing the policies of the corporation and the classification of them, whether a corporation is an A corporation or a B corporation and whether or not it is serving a government function. We cannot be sure whether all B corporations are serving a government function. For example, is the Economic Council of Canada a government Department? Is the Atomic Energy Control Board a Government Department, or is it part of Atomic Energy of Canada Limited? Where does it fit? More thought must be given to Schedule B corporations. For example, the Crown Assets Disposal Corporation is shown as a B corporation, yet in Schedule C there appears the Canadian Arsenal Limited and other corporations involved in defence. But where do they fit? It is important that the classification in the Bill be revised and that it be made on the basis of whether the corporation fulfils a government function, whether it needs the continual injection of money for certain functions, and whether the corporation is an ordinary commercial corporation out on its own.

Financial Administration Act

To suggest that we could ever support a Bill that allows a government to create a Crown corporation on 30 days' notice with a seven days' debate to go into any field it wants, would bring disaster on any parliament. Surely even the New Democratic Party cannot support this Bill on that basis, even though it seems to enjoy Crown corporations. Crown corporations just go on and on with no control at all. For example, the examiners are not under control. Parliament must refuse to pass the Bill. It is not the kind of Bill that we can legitimately look at, as Members of Parliament responsible to our constituents.

Mr. Dick: Mr. Speaker, I should like to ask the Hon. Member if in his humble opinion, since the board of directors of a Crown corporation does not have the usual powers of a board of directors in the private sector or as set out in the Canada Corporations Act and is not liable like private sector directors, this is just a porkbarrel for Liberals at a high salary?

Mr. Blenkarn: Mr. Speaker, one begins to wonder what the functions of directors are in a corporation. A director's function is to receive the report of the operating office of the company; to give advice to make sure that the corporation is proceeding well; to hire and fire chief executives and senior personnel in a company. These directors do not have those powers, so really we are not quite sure what they are there to do. A number of small private corporations operate with little activity from the directors. The chief executive officers of these companies are all appointed by the Cabinet. In some cases vice-presidents are appointed by the Cabinet. The Chairman of the board—and I do not know why there is a chairman of the board if it has no power—is appointed by the Cabinet. At that point, Sir, these companies are under the direction of the Cabinet; they are not under the direction of the board of directors. In the traditional sense, really, there is a necessity for a board of directors. If one wants to have advisory panels or something of that nature, fine. Perhaps the Hon. Member is right that these are directorships only for the opportunity to appoint one's friends to some cushy job where there is more than a decent stipend.

● (1540)

Mr. Benjamin: Mr. Speaker, I would like to ask a question of my hon. friend in light of his remarks and the remarks of the lead off speaker for the Progressive Conservative Party. When that Party complains that these members of boards being appointed are nothing but Liberal hacks and are jobs created for Liberal friends, can I take it from that that if and when there is a Progressive Conservative Government, there is no way it would appoint Progressive Conservative hacks? In other words, could someone even like myself look forward to an appointment to a board of directors of a Crown corporation, or be appointed as chairman of the board? Who did the Hon. Member expect the Liberal Government to appoint, Conservatives, NDPers?

Mr. Blenkarn: Mr. Speaker, I thank the Hon. Member for the question. The essence of the problem, Sir, is not who is appointed but, rather, the job which has to be done. There is