

listed in Schedules C and D which provide the legislative foundation for the financial relations between Crown corporations and the Government, as well as between the Government and Parliament.

Accountability to Parliament is addressed by having all Crown corporations' annual reports and annual capital budgets tabled in Parliament regardless of whether the corporation was financed through parliamentary appropriation. The information provided to Parliament in this way assists Members of Parliament in holding Ministers accountable for the owners' prerogative which Ministers exercise with respect to Crown corporations. In addition, this information assists executives of Crown corporations in accounting for their activities when they appear before parliamentary committees.

Now, the amendments to Bill C-123 are intended to build on this framework. One of the most important areas which the proposed amendments relate to is control of the proliferation of Crown corporations. We are certainly aware of criticisms which have been expressed in this area by Members of Parliament and the Lambert Commission. The proposed amendments provide that no person, including a wholly-owned corporation, whether a parent or subsidiary, could create a corporation controlled by the federal Government under the Canada Business Corporations Act or the Canada Corporations Act, or any other companies legislation, without the express approval of the Governor in Council.

In addition, the approval of the Governor in Council would be required by any Minister wishing to acquire all the shares of a Canada Business Corporations Act corporation which, upon acquisition, would be owned by the Crown. However, any Order in Council approving the creation or acquisition of a CBCA corporation by a Minister would have to be tabled in Parliament and Parliamentarians would have the right to table and debate and vote on motions which would seek either to confirm or reject the Order in Council under consideration.

Mr. Beatty: What about the CDIC?

Mr. Gray: The proposed amendments also provide that terms and conditions could be attached to any Order in Council approving the creation or acquisition of a subsidiary corporation. Thus, the Government could ensure that the powers of a subsidiary corporation were limited to those of the parent—

Mr. Clark: "Could".

Mr. Gray: —in those cases where wholly-owned parent corporations or wholly-owned subsidiaries were creating or acquiring new subsidiaries. Other terms and conditions which could be part of the—

Mr. Clark: "Could be".

Mr. Gray: —Governor in Council approval might relate to the placing of restrictions on the operations—

Mr. Clark: But won't be.

Supply

Mr. Gray: —of new corporations or a requirement for the corporations to submit new or amended articles of incorporation for approval.

The Bill also seeks to ensure the Crown would assume no liability in cases where the incorporation or acquisition had taken place contrary to the restriction on incorporation provisions detailed in the amendments. In addition to including controls on the proliferation of corporations, the Bill would place restrictions on the disposal of the corporate holdings of the Crown. Governor in Council approval would be required before any person, including a corporation, could sell or dispose of any shares held by such a person on behalf of Her Majesty.

Now, Mr. Speaker, I want to emphasize that with respect to the disposal provisions parliamentary approval would continue to be required in the case of any corporation established by an Act of Parliament where the transfer of the shares of such corporations or the winding up of the corporation and its affairs are subject to the approval of Parliament.

Mr. Clark: Read that again.

Mr. Gray: The Government is strengthening its authority to require financial information consistent with its role as shareholder and, in some cases, as banker or as a source of financing for federally-owned corporations. The Government has therefore proposed in the Bill that Treasury Board should be given authority to request such accounts, returns, statements, documents and reports that the board considers necessary for the performance of its duties.

In addition, Mr. Speaker, to ensure the flow of timely and effective information to assist decision-making, the Government proposes to implement the corporate plan concept which is consistent with normal, good business practice. In general, each corporate plan would provide consolidated information on the corporation's growth and market strategies, the consistency of these corporate strategies with statutory mandates and stated Government objectives, the financial implications of such strategies and their time frame.

Well, Mr. Speaker, I am certainly in a position to give a detailed outline of the amendments proposed for Bill C-123, but I think that I have already begun to demonstrate that what we have in mind is—

Mr. Nielsen: Total incompetence.

Mr. Gray: —something intended to respond to concerns expressed on both sides of this House, in Royal Commissions and in the Auditor General's Report.

Mr. Clark: Shut out Parliament.

Mr. Gray: We intend to respond to those kinds of concerns in an effective and timely manner. Certainly, Mr. Speaker, the recently tabled Report of the Auditor General is likely to be a focus of attention for Members of Parliament, therefore I would like at this time to make a few comments about some of the specific points respecting the accountability of Crown-