

the agency corporation group are now required to submit budgets, and proprietary corporations like the C.N.R. and the Canadian Overseas Telecommunication Corporation, are also required to submit budgets yearly.

Mr. MACDONNELL: There is one point I am still not clear about. This section says each agency corporation shall annually submit . . . Now, the agency corporations are set out in one of the schedules, but they exclude a lot of others. Does that mean only agency corporations, or are the others going to be dealt with elsewhere?

Mr. BALLS: With respect to subsection (1), we are dealing with the operating budgets of agency corporations only. The departmental corporations will be dealt with as departments of government and will be covered normally by the ordinary appropriation requirements of parliament.

Mr. MACDONNELL: But then that excludes schedule D, the proprietary corporations?

Mr. BALLS: With respect to the proprietary corporations, we are requiring in subsection (2) that both agency and proprietary corporations shall submit capital budgets, to be approved by the Governor in Council on the recommendation of the two ministers, that is the appropriate minister and the Minister of Finance, and the capital budgets of both agency and proprietary corporations shall be laid before parliament.

Mr. MACDONNELL: Why is it only a capital budget, say, in the case of Polymer?

Mr. BALLS: The principal reason, I should say, is that in regard to corporations like Polymer, which are normally required to pay their own way that there should be a certain independence, a greater degree of independence with respect to their operations. We have tried to make some distinction between the degrees of control which should be exercised over the three groups of corporations, but a departmental corporation will be dealt with in all respects, subject to any specific terms in its legislation, as a department of government. The agency corporation, we are requiring, shall be subject to some lesser degree of control, and the proprietary corporation to some lesser degree of control again.

Mr. MACDONNELL: Perhaps my illustration of Polymer was not the best one, because I am inclined to think there is force in what you say. Let us take one or two of the others in schedule D, the Canadian Farm Loan Board, Central Mortgage and Housing Corporation. Now, do you make the same argument with regard to them? They are rather different forms of activities, they are not in business the way that Polymer is.

Mr. BALLS: Well, all I can say, sir, on the corporations listed in schedule D is that those are ones which should be granted in their management a greater degree of managerial responsibility than would normally be the case of those corporations listed in schedule C, which are agencies, bodies performing essentially agency operations on behalf of the crown.

Mr. MACDONNELL: May I interrupt you. Would you make that argument, for example, for the Farm Loan Board as against Park Steamship Company? I am not very familiar with the operations of Park, but would you make that same argument?

Mr. BALLS: Yes, I would say so.

Mr. FULTON: I was wondering what the difference is between the C.N.R. and Park Steamship. How is one more the agent of the government than the other?

Mr. BALLS: I think one answer to that is the fact that Park Steamship Company operates under the provisions of the The Government Companies