1. Define clearly the functions of the board in conformity with its actual operations.

2. Reconstitute the board on a basis intended to make it possible to carry out these functions efficiently.

3. Confer on the board powers appropriate to these functions and clearly establish the board's responsibility to parliament through a designated minister of the crown.

4. Establish executive machinery designed to make efficient administration possible.

5. Confer power to staff the board and to bring continuing members of the staff under the Civil Service Superannuation Act.

6. Establish financial arrangements suited to the board's present operations.

The basic principles of the bill are that the board shall be responsible through a minister to parliament; that the powers necessary to carry out the functions of the board shall be vested in this board; and that the commissioner shall be responsible to the board and shall be its chief executive officer charged with the administration of its operations.

The bill defines the board as an agency to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations. It seeks authority for the board to represent the government of Canada or any department thereof in the securing of motion picture films from persons engaged in film activity; to engage in film research, and to act as adviser to the governor in council in connection with film activities.

In accordance with the recommendations of the business consultants, the bill contains provisions whereby ministers of the crown would no longer be members of the board, that the number of members would be increased from eight to nine, that the commissioner be chairman, and that the number of members from outside the government service be increased from three to five. Power is sought for the board to enter into contracts, acquire copyrights and patents and, with the approval of the minister, to make bylaws for the carrying out of the purposes of the bill.

The duties of the film commissioner as the chief executive officer of the board are defined. It is proposed that he be given the responsibility for the administration of the board's operations and authority, subject to the bylaws of the board, to exercise its powers.

Under the terms of the bill authority is sought to formulate a plan of organization for the establishment and classification of the continuing positions necessary for the proper functioning of the board and to enable the board to employ staff for these continuing positions during pleasure and for fixed terms. The benefits of the Civil Service Superannuation Act would be extended to staff employed on this organization plan. Over and beyond this organization plan, authority is sought to employ personnel for temporary work from time to time as conditions require. These employees would not be eligible for the benefits of the superannuation act.

A financial structure designed to enable the board to operate efficiently is proposed. As at present, finances would be obtained through direct appropriation by parliament, and by moneys transferred from other government departments in payment for film and other services. One of the most important financial provisions sought is the establishment of a national film board operating account in the consolidated revenue fund to which all operating expenditures of the board would be charged, and to which all moneys received from operations would be credited. There is a provision that expenditures shown in the operating account must not at any time exceed receipts by more than $700,000. The effect of this is to furnish the board with working capital to the extent of $700,000. Under this arrangement profits would be transferred to the receiver general and deficits would be met only by direct appropriation by parliament. All capital expenditures would require appropriation by parliament.

The receiving and paying of cash would still be handled by the comptroller of the treasury. The Consolidated Revenue and Audit Act would still apply to the board's operations. The board's account would be open to audit by the comptroller of the treasury, and the Auditor General's office would continue to review its operations.

Perhaps I should explain why the bill is being introduced at this late date in the session. At the last session I informed the house that where there were weaknesses and deficiencies in the board we would move as quickly as possible to rectify them. The new commissioner assumed his duties on February 1, and the report of the management consultants was dated March 22, 1950. It was natural to expect that the new commissioner would require some time to familiarize himself with the board and its operations, but nevertheless I asked him to take whatever steps were necessary to bring forward in legislative form the recommendations set forth in the Woods-Gordon report which it appeared desirable to have implemented but which required legislative action. The members of