

● (1420)

A regime of accountability and control lies with an effective board of directors. If all the responsibility is taken away from a board of directors, how can one expect them to act as a responsible body? That is what Bill C-24 has done. The Governor in Council and the Cabinet are all things under this legislation. In the private sector, the principal role of the board of directors is to recruit the chief executive officer and supervise his stewardship of the corporation. That is the essential role of a board of directors. It must pick that chief executive officer and hold him accountable for the operations of that corporation. Under Bill C-24 the Cabinet appoints the chief executive officer, sets his tenure and remuneration. The board of directors has nothing to do with the selection of the chief executive officer. The Cabinet picks its political appointee.

The Cabinet also appoints the chairman of the board. The board does not even have to be consulted. In some cases like Canada Post and Canada Mortgage and Housing Corporation and other Crown corporations, the Cabinet even appoints vice-presidents and other various lesser management posts beneath the chief executive officer. How in the world can the chief executive officer hold management accountable if the Cabinet appoints the management for him? It is a great system of accountability and control when the Cabinet decides who is going to be the vice-president of marketing for such and such a corporation! In that case, the chief executive officer of some Crown corporation could say to one of his vice-presidents: "We have a problem and this is the way we should be dealing with it. Would you please address the problem and bring your recommendations forward to me?" The vice-president could then say: "I will think about it. I am not accountable to you; I was chosen by the Cabinet. How can you tell me what I should or should not do?" That is just crazy. You cannot have a regime of accountability under those circumstances, Mr. Speaker.

Not only does the Cabinet appoint the vice-presidents, or can, but it is also going to appoint the auditor. In most corporations where one wants a responsible board of directors, that responsibility is assigned to the boards. If you make that the board's responsibility, then that auditor is responsible to report to that board of directors. When you deny the directors that responsibility, they can ask what they are there for. We know what the Government wants them there for. It wants them for window dressing. It needs a spot for political appointments. That is what this Bill does, and does deliberately. This legislation has made the board of directors valueless to the accountability process.

The Cabinet will even approve the by-laws on behalf of the board of directors. The board of directors is supposed to approve the by-laws. This Bill does not even give it the right to approve the by-laws of the corporation. Cabinet is going to set the dividend policy. Cabinet can direct the board on the conduct of the corporation's business and its affairs. What on earth are the directors supposed to do? This Bill completely emasculates the board of directors as far as its responsibility is concerned. I say to this House and to you, Mr. Speaker, that if

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we are going to have accountability in Crown corporations, not only do we have to have ministerial accountability but we have to have a board of directors which acts in a responsible way in so far as management is concerned. But no, this legislation denies the board those responsibilities. It is just a window dressing operation.

I will tell you, Mr. Speaker, what Bill C-24 expects these directors to do. It expects them to be good Liberal appointees, to go to board meetings and collect their per diem.

Mr. Ouellet: No, no.

Mr. Thomson: That is exactly what the legislation does. Read it. The Minister said it himself. It expects them to be good Liberal appointees, to go to board meetings, to collect their per diems and to do what the Government tells them to do. That is exactly what Bill C-24 says.

Mr. Ouellet: Show me the word "Liberal" in the legislation.

Mr. Thomson: The Minister said he wants the board to do more than that, but that is not what this legislation says. Has the Government learned nothing? Have we gone through the fiasco of Canadair and de Havilland only to perpetuate the system which caused the problem in the first place?

As you know, Mr. Speaker, I am co-chairman of our Party's task force on Crown corporations. Our task force has spoken to many chief executive officers and directors of Crown corporations. One theme dominates. Crown corporations do not know who they are accountable to. We have been told the tale of a chief executive officer of a major Crown corporation who comes to Ottawa at the invitation of the Minister of Finance (Mr. Lalonde). The Minister of Finance tells him: "You do this". The chief executive officer replies: "I thought I was responsible to the Minister of Transport". He is told that he may very well be responsible to the Minister of Transport (Mr. Axworthy), but the matter has been discussed with him and this is what he is supposed to do. The chief executive officer is told it is not necessary to talk to the Minister of Transport. "You do what I tell you and everything will be just fine".

The next day the chief executive officer speaks to the Minister of Transport and tells him the situation. The Minister of Transport says: "I beg your pardon? I have never discussed this matter with the Minister of Finance". The chief executive officer replies: "Do you want me to carry out this policy or not?" The Minister of Transport says: "No, I do not want you to carry out that policy".

That story is just typical of the types of operations and problems we have with Crown corporations today. It is the major problem which Members opposite cannot seem to get through their heads. How can you have a system of accountability when chief executive officers have to account to more than one person? How can they be expected to know which way to go? It is a hopeless mess and this legislation does not even attempt to address that problem.

My view is that we will never solve the problems of Crown corporations until they come under an effective regime of