

*Crown Corporations*

ury Board (Mr. Johnston) is present this afternoon to watch the debate and follow the activities here, because he is the minister who now has the responsibility for the Crown corporations bill and who, perhaps, can give some indication to the House as to what the intention of the government is in this regard.

Earlier in this session I raised questions with the President of the Treasury Board and with the Prime Minister (Mr. Trudeau), asking whether they intended to take action similar to that which was proposed by our government a year ago. It would have brought before Parliament legislation to increase accountability on the part of Crown corporations and bring an appropriate regime before Parliament which would allow the flexibility necessary to deal with Crown corporations. It would have addressed a number of concerns raised by the Auditor General, the public accounts committee, the Lambert commission and various other groups who are concerned about the lack of an adequate method of accountability for Crown corporations at the present time.

When I raised the issue in this House previously, I was given the firm indication by the government that it accepted the principles that were involved in the Crown corporations legislation. Indeed, the Prime Minister said that the bill which we introduced in the last Parliament was simply a bill that had been drawn up by the Liberal government and was available to us when we took over. That, of course, was not the case. However, the initiative of trying to bring an appropriate regime with accountability of Crown corporations before Parliament was an initiative which dates back to the previous Liberal government. It was under the Clark administration, the administration led by my leader, that action was finally taken to bring legislation before Parliament which would deal with the myriad problems which had been created by this lack of proper accountability.

Although the President of the Treasury Board and the Prime Minister indicated at that time that they took this matter seriously and action would be forthcoming, and although privately we had indications from some members of the government that action would be taken very early after Parliament resumed in the fall, Parliament has yet to see any indication of seriousness whatsoever on the part of the government with regard to Crown corporations. We have yet to see an indication on the part of the government that it is prepared to take action in bringing legislation before Parliament to address these numerous concerns which were repeated most recently by the former Auditor General of Canada, Mr. J. J. Macdonell. Hon. members will remember that this bill was designed to provide ministers and Parliament with improved means to control and direct the management of Crown corporations and to ensure that their performance was accountable to ministers and Parliament.

The bill, and I stress this, was not part of the former government's privatization initiative. It was quite unique and separate from privatization in that its purpose was to increase the effectiveness of the corporations' various public policy objectives. At the same time, the bill sought to clarify grey

areas of jurisdiction that are of concern to Crown corporation managers and to correct the unrestricted proliferation of Crown corporations and their subsidiaries.

Most Canadians do not know the fact, but it is the fact that it is possible for three public servants to go out this afternoon and incorporate a new federal Crown corporation for which the government and taxpayers of Canada would be responsible. It is possible to incorporate Crown corporations through a number of different measures, including even under provincial government legislation. What we were trying to do was to ensure that when a decision was made that a Crown corporation could be created, it was made with the full knowledge of ministers and it was done consistent with the policies of the government and policies approved by Parliament. We do not believe it is in the national interest to have Crown corporations proliferating without any idea as to the numbers involved and as to the reasons why they are even created.

The bill addressed itself only to the control, direction and accountability of corporations that are wholly owned, whether directly or indirectly, by Her Majesty in right of Canada. In total, Bill C-27 applied to 178 corporations. It did not refer to corporations that are not wholly owned by the federal government. In other words, where there was mixed or joint enterprise where the federal government was involved, this was not coming under the ambit of the Crown corporation bill. It was to be dealt with by separate legislation, somewhat further down the line.

I would like to mention, and I think it is of interest to members of the House and the Canadian people, that we always had to revise that number upwards. We got it up to 178 because we kept on discovering Crown corporations which the government did not realize existed, but for which the Canadian people and the Government of Canada were responsible.

One of the provisions in the bill would have required that unless a Crown corporation has been listed in one of the schedules to the bill, it would cease to exist. It would have to be wound up and the people of Canada would not be held responsible for its liabilities. This was a provision designed to enable us to find other Crown corporations which to date had still been able to elude detection by the government. I suspect this figure of 178 Crown corporations wholly owned by the Government of Canada is in fact probably low.

Our government was convinced that the natures of these joint corporations differed so widely that it would be impossible to provide for them in legislation designed for wholly-owned corporations. Nor did Bill C-27 refer to those corporations engaged in functions of an artistic, entertainment or journalistic nature as their primary undertaking. We recognized that the CBC and other cultural organizations had special requirements that historically created a large degree of independence from Parliamentary scrutiny. As such, we made both of these types of corporations the subjects of separate reviews.

I must stress that it was the intention of our government to bring the CBC and the other cultural organizations into some appropriate regime of accountability which would recognize