

*Telesat Canada Act*

board, and I congratulate the Minister of Communications for resisting such a requirement in the present legislation with respect to Telesat Canada to the extent that it provides that at least two members of the board of directors shall be public servants.

As I say, Mr. Speaker, I do not have much hope that this amendment will pass and therefore I am not particularly worried that I seem to have missed the most important subclause. Upon further examination it would appear that my amendment should also apply to subclause 3 which deals with the permanent board of directors. This amendment to subclause 2 concerns only the provisional board of directors.

● (2:10 p.m.)

We have heard members of the New Democratic party extol the benefits of the crown corporation type of enterprise in Canada. The government party has not been particularly energetic in resisting that line of argument. In particular, we have heard certain references to the good example offered by the operations of the C.B.C. I believe the hon. member for Regina East (Mr. Burton) expressed that point of view. I think it was he who suggested that the Conservative party should be congratulated for bringing that organization into being. While the aims might have been good in 1935 in the establishment of the C.B.C., certainly no pride should be extracted from the present operations of that government organization. I think it is the best proof that we should not continue this type of enterprise in Canada.

Government sponsored enterprises never really build anything in an efficient manner. Certainly there is no proof in support of the suggestion that government sponsored organizations are efficient. Some hon. members may refer to Air Canada as an example of the efficiency of a government organization. How do they know that it is a good example? There are no yardsticks to be used to measure it. How do we know it is an efficient organization when it does not pay income tax?

**An hon. Member:** How about the C.P.R.?

**Mr. Schumacher:** How do we know these things when there is no way of measuring them? There have been no efficiency studies carried out.

**Mr. Saltsman:** Would the hon. member permit a question?

[Mr. Schumacher.]

**Mr. Schumacher:** Certainly.

**Mr. Saltsman:** The hon. member raised an interesting point in respect of comparisons. In view of the fact there are international carriers around the world with which a comparison of this kind can be made, and in view of the fact that the studies which have been made comparing Air Canada with the operations of other international carriers have rounded to the credit of Air Canada, the hon. member should reconsider his position. Suggestions have been made that Air Canada is probably more efficient than some private enterprise carriers throughout the world. Is the hon. member familiar with those studies?

**Mr. Schumacher:** I am not familiar with those studies, but I do not think there is evidence which proves, at least to the people of Canada, that the large part of our air transport being conducted by Air Canada is efficient because it is a government sponsored organization. The Canadian Pacific Airlines operation does not maintain several floors of office space in Montreal, or at the location of its head office, as does Air Canada. One suspects there is featherbedding to a great extent by Air Canada. This is not the case in respect of other organizations which have to account directly to their shareholders. I do not see that there has been any reasonable measure developed as to the efficiency of these organizations. In any event, this is not the point I intended to cover in my amendment.

The intent of my amendment is that we should not encourage the appointment of individuals to the boards of directors of companies in which the government of Canada is involved from the ranks of the public service, at least not on a compulsory basis. Certainly the Governor in Council is charged with appointing the best possible individuals to these boards of directors. It may be that the members of these boards, or some of them, should be members of the public service in order that we can obtain the best possible people, but my amendment does not restrict the Governor in Council from appointing public servants. I object to any statutory requirement that there be a certain number of public servants on these boards.

During a committee meeting I used the words of President Eisenhower when he left office nine years ago. He warned against the military-industrial complex in the United States. The way things are progressing in Canada we are in danger of suffering from