

ing system, or of the duties of the Minister of Finance, the Auditor General, the Comptroller of the Treasury and other officials. What I propose to do is simply to state in a general way what the bill does, and then to refer to some of the changes which differentiate this bill from the existing legislation.

Hon. Mr. Roebuck: To what bill is the honourable senator referring?

Hon. Mr. Hayden: Bill 25. I believe copies were distributed this morning.

In a general way this bill may be said to have three functions, as enumerated in the title. The first is to provide for the financial administration of the Government of Canada.

For this purpose, certain sections of the Department of Finance and Treasury Board Act and the Consolidated Revenue and Audit Act, 1931 have been gathered up and simplified and clarified, and in some instances amended, and incorporated in this bill as being the framework of the law and the procedure which are to govern the financial administration of the Government. The audit of the public accounts, it will be noted, is included in the title.

The second feature of Bill 25 is that it provides for the operation of a central stores account. Heretofore various departments of government have maintained their own stores accounts, and under a statute known as the Department of Transport Stores Act, procedures and mechanism are provided for the handling of stores in relation to the Department of Transport. What is being done under the second phase of this bill is to repeal the Department of Transport Stores Act, to gather up the practice and procedure under that Act to the extent that it serves as a good model, and to provide the mechanism for a central stores account. I shall have something to say about that in a moment.

The third feature is to establish a more uniform and comprehensive system for regulating the financial arrangements between the government and its Crown corporations. It will be recalled that, particularly during the war years, a number of Crown companies were set up at various times pursuant to the provisions of the Department of Munitions and Supply Act. Under the authority contained in that act, and by virtue of orders in council passed from time to time, a company would be incorporated under Part I of the Companies Act of Canada. The powers in connection with the audit would usually be provided for in the by-laws of that Crown company, and the auditor would be named under the provisions of the Companies Act. In this bill a procedure is established to deal with various classifications of these agencies or Crown companies.

I think at this stage I should mention schedules B, C, and D, which will be found at the end of the bill.

Schedule B contains a list of the type of Crown corporations defined in the new bill as being departmental corporations. It includes such bodies as the Agricultural Prices Support Board, the Dominion Coal Board, and the National Gallery of Canada.

The groups in schedule C are known as agency corporations, which under the bill are one form of Crown corporations. Among them are such well known bodies as Canadian Arsenals, Canadian Commercial Corporation, and National Harbours Board.

The third group, comprised in schedule D, are known as proprietary corporations. In this list will be found such well known names as the Canadian Broadcasting Corporation, Canadian Farm Loan Board, Polymer Corporation, and Trans-Canada Air Lines.

Let me illustrate the difference in terms relative to these three groups of Crown corporations.

The agency corporation group, comprised in schedule C, are required to submit operating budgets as well as capital budgets. These operating budgets, to be submitted annually, require the approval of the appropriate minister and also of the Minister of Finance, but they need not necessarily be laid before parliament.

So far as concerns the agency corporations and the proprietary corporations, these are types of bodies that are listed in schedules C and D; for example, in C, Canadian Arsenals; in D, Polymer Corporation. Both these types of Crown corporations must submit annually capital budgets, which require, in addition to the approval of the appropriate minister and the Minister of Finance, the sanction of the Governor in Council.

In schedule B will be found the departmental type of Crown corporation, for example the Agricultural Prices Support Board. So far as the audit is concerned, this type of body is subject to the general audit provisions of the bill.

I will now touch briefly on a few changes contemplated in the bill. Under existing legislation the Auditor General is required to do a prepayment audit of accounts, and there seems to have been some duplication there, because the Comptroller of the Treasury has an obligation to audit accounts before payment is made. The Auditor General himself raised the question of whether, if on information he then had he made some pre-judgment of a particular account that was before him, it might afterwards be thought that his consideration of additional material was prejudiced by reason of his having studied the matter at an earlier stage. In the