

*Canada Post Corporation Act*

was acceptable to Canadians and would meet the concerns of the Auditor General, the Public Accounts Committee and the Lambert report, it was the responsibility of the boards of Crown corporations to manage the day-to-day affairs of those corporations. It was not desirable to have interference by the politicians in the day-to-day management of Crown corporations if they were to be run on a businesslike basis.

The reason the government has proposed this Crown corporation legislation to turn the Post Office, which is currently a department of government, into a Crown corporation is they believe it is necessary that the Post Office be run on a much more businesslike basis. The form for a Crown corporation and form of organization is one which would allow a much better system of management within the Post Office. It would allow the managers within the Post Office to do their job free of interference, free of a regime of accountability which at the present time is so fractured as to make it difficult to have any sense of coherence or orderliness about the running of the day-to-day activities of the Crown corporation.

We on this side have indicated that while we have concerns about various elements of this bill, the concept of a Crown corporation for the Post Office is one we have long supported. Having accepted that principle, we believe it is essential that the board of the new Crown corporation should be charged with the responsibility of the day-to-day management of the corporation. The board should have the right and the responsibility to run the corporation and to make business decisions. Otherwise they have no function.

If we were to take that away from the board and say that the governor in council, the cabinet or the postmaster general is to make the day-to-day decisions for the board of the Crown corporation, then it is logical to ask what in fact is the function of the board if it is going to have that sort of interference on a day-to-day basis.

As the bill is worded at the present time, the board would in theory have the right to appoint vice-presidents of the Crown corporation. In theory, it would have the right to set the salaries of its vice-presidents at a level which was acceptable. However, that decision to appoint and to set the salary for a vice-president at a particular level would have to be justified. They would have to win the approval of the Governor in Council, namely the cabinet.

What is of concern is how this would operate on a day-to-day basis. What concerned the Crown corporation's task force, which laboured over this whole issue of the structure of a Crown corporation, has been laboured over it for several years and brought recommendations to government, which were accepted by the Clark cabinet and led us to introducing the legislation, was the practical application of the wording found in the Crown corporation bill here.

What will happen is the board of directors of the Crown corporation will find themselves hamstrung. They could not make business decisions about the management and the Crown corporation without the approval of the governor in council. The authority to hire and set salaries on a defacto basis would reside with the politicians, the governor in council and the cabinet. Appointments would be made nominally by the board

of the Crown corporation but in fact would be made by the cabinet.

This is of concern to Canadians and was of concern to those members of the Crown corporation's task force and the Clark government. We believe it is important that Canadians have confidence in the management of Crown corporations. It is essential that the board be charged with the responsibility for choosing people who could run the corporation on a businesslike basis and receive salaries commensurate with the responsibilities they are asked to undertake.

If we have the governor in council, which is the cabinet, making these appointments through the back door, we will find the government patronage machinery going into effect. Instead of having people appointed as vice-presidents who are of a calibre we would expect in the private business world, after the approval of the board of directors, we would have defeated candidates or friends of the government appointed to what could be fairly lucrative jobs as vice-presidents of Crown corporations.

That is no basis for starting off this new Crown corporation if we want Canadians to have confidence in the activities of Crown corporations and if we want peace within the Crown corporation. If I were working in the Post Office today and interested in having a senior job within the new Post Office Crown corporation, I would be very concerned about the provision in this bill, as it stands today, which would allow the government to make patronage appointments to vice-president positions.

Either the board will be charged with the responsibility of running the Post Office on a business-like basis or we will go back to the bad old days of patronage within the Post Office where the party in power does the hiring and rewards its friends. We do not want to see that happen. We want to see the Post Office run on an efficient and business-like basis.

Quite properly members could suggest that the governor in council have a right to look at the remuneration being given the individual to ensure it is not excessive. It could make sure it does not create a situation where the government is leading all other sectors, with a difference that is ridiculous. When we introduced the Crown corporation legislation and what we propose in the motion before the House to amend the bill, is that the governor in council should be allowed the right to set a ceiling beyond which the pay for vice-presidents will not be allowed to go.

That is entirely appropriate. It should be done publicly and in a way which does not interfere with the day-to-day operations of the Post Office. If they want to set a ceiling, the amendment would propose to allow that to happen. However, if they want to get in and tinker and appoint a particular individual at a particular salary, we believe that is wrong. It should be the right of the board of the Crown corporation to make that management decision.

I do not want to protract discussion on this amendment. It is straightforward and is consistent with the Crown corporation bill introduced by the Clark government. On a number of