

on rather fanciful and incorrect assertions about Government action with respect to the economy and a number of other areas of policy.

The fact is that the Government has been taking important and substantial steps to assist in bringing about economic recovery and renewal in Canada. Its six and five program is a basis for bringing down inflation and bringing our costs under control. At the same time, in the budget of June 28 and in the economic statement of October 27, the Government has allocated more than \$2 billion to job creation in the private sector. The Government is carrying out these efforts in spite of the fact—and it is a fact, no matter what the Leader of the Opposition says—that the major markets for key Canadian industries like forest products, minerals and auto parts are outside of our borders, and these markets themselves are suffering the most severe recession in some 30 or 40 years. In spite of this, the Government is taking steps and developing programs to reverse the present recession in Canada and, as I have said, to create jobs and bring about a healthier and stronger economy.

Mr. Blenkarn: That is right. Spend and waste money.

Mr. Gray: When the Leader of the Opposition finally got around to the topic of his motion, he seemed to be attacking the very concept of Crown corporations. However, they are simply a means of carrying out public policy purposes, they are simply a means of carrying out purposes connected with national or provincial policies. For example, he complained about the need for more housing for our senior citizens. However, in attacking the very concept of Crown corporations, he attacks the existence of an entity like Canada Mortgage and Housing Corporation which has been the means of creating affordable housing for hundreds and thousands of our senior citizens.

• (1610)

When he finally got around to talking about Crown corporations, he referred to the comments of the Auditor General in his most recent Report tabled in this House some two days ago. However, the Leader of the Opposition in his remarks goes far beyond anything said in that Report by the Auditor General. The Auditor General did not call for the abolition of Crown corporations or for a reduction in their number, but for a better framework for their accountability and direction.

The Auditor General certainly did not make the sweeping and inaccurate assertions of the Leader of the Opposition. He did not make the assertion that Crown corporations as a whole are the obvious source of savings in the dimension mentioned by the Leader of the Opposition, or any source of savings at all.

In any event, this Government has already taken a major step toward improving the direction, control and accountability of its wholly-owned corporations with the tabling of its proposed amendments to the Financial Administration Act in Bill C-123. Hon. Members will recall that the Government also announced on June 30 when Bill C-123 was tabled that complementary organizational and administrative measures would be implemented. In addition, the Government

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announced it would capitalize on the existing authorities contained in the constituent Acts of Crown corporations and in the Financial Administration Act.

These measures must be looked on and considered as a total package. They were designed to enhance the ability of the Government to act as an effective and vigilant shareholder of its wholly-owned corporations. I would like to emphasize the words "wholly-owned corporations". As Hon. Members are aware, the Government's wholly-owned departmental corporations are listed in Schedule B to the Financial Administration Act and are subject to the same provisions of that Act as are Government Departments.

The proposed amendment outlined in Bill C-123 would permit the Government to apply improved direction, control and accountability measures to the other corporations wholly-owned by the Government, whether they are parent corporations or subsidiary corporations.

I believe a distinction should be drawn between corporations which are wholly owned, either directly or indirectly, by the federal Crown and those in which the federal Government may be a majority or minority shareholder together with either private interests or other Governments. In these cases where the Government is not the sole shareholder, the rights of the other shareholders have to be taken into account and thus the degree and manner of Government direction and control exerted over the corporations which are not wholly owned would have to be quite different from that exerted over those which are wholly owned. The proposed amendments in Bill C-123 to Part VIII of the Financial Administration Act, together with complementary administrative reforms, will I suggest establish a régime capable of ensuring that wholly-owned corporations are policy-sensitive and financially-accountable entities.

In Canada, Government-owned corporations have had a long history of being created to achieve public policy objectives. Even before Confederation, the public enterprise model was chosen as a means to attain a particular goal. In 1841 the United Provinces of Canada created a board of works to construct a canal system. In 1906, I think it was, the Province of Ontario, which at the time had a Conservative Government, created Ontario Hydro, one of the largest publicly-owned corporations in Canada and perhaps in North America. The Conservative Government of Ontario, at the time, created Ontario Hydro at the request of a large number of business people who feared the monopolistic practices of a number of privately-owned power companies.

In 1919 the Canadian National railways was created. To many this is considered to be the point at which the federal Government commenced its entry into public enterprise in a major way. The Canadian National Railways was created by the Conservative Government of Robert Borden.

Mr. Clark: Hear, hear!

Mr. Gray: Over the years various Governments, federal and provincial, have used the public enterprise model in pursuing