

*Private Members' Business*

I urge all members of the House to support Bill C-263.

• (1750)

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, it is my pleasure to speak today to the bill presented by the hon. member for Okanagan—Similkameen—Merritt.

The bill has as its basic purpose the removal of exemption from application of divisions I to IV of part X of the Financial Administration Act for five crown corporations. These are the Canada Council, the Canadian Film Development Corporation, the Canadian Wheat Board, the International Development Research Centre, and the National Arts Centre Corporation.

[Translation]

These corporations, together with the Bank of Canada and the CBC, are exempt under section 85 of the Financial Administration Act. All other crown corporations, which number about 41, are subject to part X of the FAA.

If we study part X, we see that the goal was to provide a more or less standard accountability and control system for all our crown corporations.

The role of Parliament was to hold the government and the crown corporation accountable through the appropriate minister for the public funds allocated to the corporation.

[English]

The government's role was seen to be to provide co-ordination, direction, as necessary, and control with the objective of protecting the public's investment and ensuring that public policy objectives are met.

Part X of the Financial Administration Act represents a comprehensive accountability system allowing crown corporations to adopt private sector management systems and practices, while ensuring that government and Parliament exercise certain key approvals.

For example, corporate plans of crown corporations subject to part X require approval annually by the governor in council. As well, the corporation's annual report must be tabled in Parliament. Part X requires that it contain information on how well the corporation has met its objectives.

[Translation]

At the end of each calendar year, the President of the Treasury Board must submit to Parliament his annual report on crown corporations and other corporate interests of Canada. This report contains a section which is audited by the Auditor General and which shows to what extent activity summaries and annual reports are submitted in accordance with established criteria for every minister responsible.

[English]

It can be seen from this one example how part X is designed to ensure that not only government but Parliament as well is viewed as integral to a sound accountability and control system for crown corporations.

As previously indicated, certain crown corporations are exempt from this part X system. The grounds for exemption, while not found in any written or formal criteria or regulation, reflect some of the special sensitivities in the relationship between the government and these particular corporations.

For example, the perception of arm's length freedom from government direction and decision which involve awarding grants to juried recipients is viewed as fundamental for the Canada Council. The government should not be seen to be dictating artistic merit as a matter of the politics of the day. Similarly, the mandated freedom for the CBC in areas of programming and journalistic independence led to the provision that this corporation also be exempted from part X.

The remaining exempts, five of which are named in the bill before us today, are subject to the elements of accountability found in their own enabling legislation. For example, all are required to provide annual reports for tabling and for those which are dependent upon government subsidization, they are subject to the annual process and procedures of parliamentary supply.

Bill C-263 contains two additional elements of some concern to me.

The first of these is the provision that employees of the National Arts Centre, the Canada Council and the International Development Research Centre become members of the public service. This is moving in the wrong direction.

Crown corporation employees are, for the most part, not public servants. In fact, the legislation creating the four museums crown corporations specifically states that museum employees are not public servants. We do not want to increase the size of the public service for no good reason.

• (1755)

The second element deals with the concept of agent of the crown status being introduced for these three corporations by the bill. This is a complex legally challenging subject that requires some thought.

I believe the International Development Research Centre was specifically made a non-agent for compelling reasons relating to its mandate and the freedom to choose fields of research of international significance. Agencies should not be arbitrarily invoked under the assumption that it removes autonomy.

Clearly, the experience we have had over the last 10 years indicates that generally there may be merit in bringing other exempts under a modified form of accountability framework