

Financial Administration Act

half a day for two days a week. Is that 30 days considered on a calendar basis or is it 30 sitting days of at least four and a half or six hours a day?

Furthermore, how can the Government introduce closure on any new Crown corporation legislation by stating that there will be no more than seven hours of debate? If we were to consider an extreme situation, such as at Christmas, a committee could sit for an hour and a half for five days to make up seven and a half hours of debate in committee. We could then be told that we must restrain debate to seven hours in the House of Commons.

Not only are there weaknesses in this Bill, it contains flagrant violations of the rights of Canadians. We must not accept this Bill but address the changes to it that are required. We have moved this motion for a six-month hoist so that we may give it some input and let the Government know what will be satisfactory to Canadians.

● (1620)

I would like to suggest that we create on a permanent basis a joint Senate-House committee strictly for Crown corporations. When you realize that there are 400 or 500 Crown corporations to deal with, that means a lot of time. We should be presented with three to five-year working programs. We should be presented with an annual budget before the year starts. Final audited statements should be presented subsequently. As a result we would have an opportunity to grasp whether the corporation should be sold, whether it should have new management, be wound up, or whatever. But we do not have enough information to make a judgment, spending only a few days in committee.

I understand that my allocated time has expired. I would like to thank the House for allowing me to speak for a few minutes. I think it is very important to defeat this Bill on second reading because it is not productive. There are too many imperfections in it which must be changed.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, it is a pleasure to rise to speak for the second time on this Bill. We are now debating a motion to grant leave of the House to study this Bill for an additional six months before putting it into effect. That makes sense to our Party. What we are doing is initiating a very great change in the methodology of setting up Crown corporations. More important, we are deciding how those corporations will be made responsible to Canada's shareholders through the House of Commons and Parliament.

I think we realize, in this corner at least, that to only a small degree what we are doing is changing the rules for establishing a corporation. A number of years ago, shortly after I arrived here, we changed the methodology for establishing corporations in the public sector.

As I understand the history of corporations and the involvement of the Crown, at one time it was the Crown—I am talking now of 400 or 500 years ago—which granted leave to a group of individuals to establish a corporation. It provided those individuals with some basic rights and privileges. They

were privileges then and they are now. I will spend a little time during remarks dealing with some of the privileges.

One of the first Crown corporations of importance in Canada was the Hudson's Bay Company. It was granted a charter by the King of England which the Hudson's Bay Company gave the right and the privilege to trade in goods and furs in a very vast territory, part of what is now Canada and a little of what became part of the United States. That was a very great privilege, Mr. Speaker. Subsequent corporations also had very great privileges not afforded ordinary citizens and unincorporated small business. For one thing, corporations live forever. They never have to pay estate taxes or come to an end when an accounting has to be made. Consequently, when taxes are deferred in a corporate sense because there is no end to a corporation; the taxes can be continually deferred and are in essence never paid. When it comes to raising funds, corporations have the advantage. Under our tax laws they can raise money through publicly traded shares. There is an opportunity to participate in the Indexed Security Investment Plan, ISIP, which has the effect of lowering the cost of that money to the corporation and grants a consequent advantage as well to the investor. These are advantages which individuals attempting to run a business do not have. As well, corporations in the private sector have lower tax rates. Privileges granted are varied and many.

It was only a few years ago, within my memory, that to start a private corporation one required the assent of the Crown, through this House and through the Senate; later, it became one or the other. No longer is that assent required. Private corporations can be established without coming to one of the Houses of Parliament.

I suppose in fairness we can say that there appears to be some attempt by Government to make that same route available for the establishment of a Crown corporation. There appears to be some movement in this Bill to spend less time going to the House of Commons or the Senate to establish a Crown corporation. We will not argue a great deal about that since the principles and the practice has changed for the other corporations in our economy. Perhaps it is time to allow the same rights and privileges to Crown corporations. We do see some problems, however, when it comes to control of these Crown corporations.

In theory, private corporations are controlled by the shareholders who meet occasionally to select directors, then direct the business of the corporation, usually through the chief executive officer who is responsible to the board of directors, who in turn are supposedly responsible to the shareholders. With Crown corporations that chain of command is much more fuzzy. I think most of the speeches in the last several days on this Bill have brought that out. Members have pointed out rightly that it is very difficult sometimes for the shareholders in Crown corporations to get information, and that the appointment of the chief executive officer in most instances is by the cabinet rather than by the appointed board of directors. These practices create the potential for some problems. Therefore, we think it is worthwhile for this House to spend some