

*Financial Administration Act*

**Mr. Benjamin:** Tell us what you know about the Wheat Board.

**Mr. Foster:** This Bill will be paramount. The Hon. Member has expressed a great deal of concern that certain corporations can be set up without regard to Parliament. I recall that when we put the Petro-Canada Bill through it gave the Minister of Energy, Mines and Resources (Mr. Chrétien) the power to establish energy corporations to hold the Crown's share. As well, there was such a provision under the Atomic Energy Control Board. Those powers, Mr. Speaker, have been removed from those two pieces of legislation. There may be other agencies which have some power. I think that needs to be discussed in committee. I think it is clearly the intention of the legislation to make it so that all Crown corporations will have to be set up under the two routes which are established by this Bill, namely, through the Business Corporations Act which requires the tabling of a motion here, referral to the standing committee and debate in the House or by a special Act. I think any major parent corporation will be established by an Act of Parliament in the future, just as CDIC has had a Bill put before the House in recent days to establish it by an Act of Parliament.

I want to mention a couple of other points which the Hon. Member outlined. He complained about parliamentary control over the board of directors. It is proposed that the board of directors be appointed by the Governor in Council, but in the Bill the responsibility of the boards of directors is taken directly from the Canada Business Corporations Act. That responsibility is spelled out as being to exercise skill, care and diligence. It seems to me that the Bill is a balance between having a good board of directors to operate Crown corporations but having control through the Government and the Minister to Parliament, so that Crown corporations ultimately will be following the will of Parliament and the will of Government.

The Hon. Member suggested that chief executive officers should not be appointed by the board of directors.

**Mr. Blenkarn:** That is normal.

**Mr. Foster:** I think the Government's position on that was that chief executive officers should be appointed by the shareholder, which is the Government of Canada—

**Mr. Blenkarn:** That is not normal.

**Mr. Foster:**—that we ultimately have the responsibility, namely, the Government.

**Mr. Dick:** Why have a board?

**Mr. Foster:** In the consultations which the Department had with the Auditor General I think that that was his view, that likewise the chief executive officers should be appointed by the Governor in Council.

I was interested in the suggestion made by the Member for Calgary South that the board of directors does not have to approve the by-laws. I was not very clear on that. Clearly the

by-laws are passed by the board of directors of the corporation. Under the Conservative Bill of 1979, each one of those by-laws, as I understood that Bill, had to be approved by the Governor in Council, the Cabinet. There is no such approval suggested in this Bill. It is suggested clearly that where the Government wishes to override a by-law, it would be able to do that, but it would not have to do it in normal circumstances.

I wanted to mention those few items, Mr. Speaker. I think we really want to see this Bill passed. We want to see accounting by Crown corporations and control over them by the Parliament of Canada approved. I hope there will be co-operation to see the Bill moved reasonably soon to the standing committee so that we can discuss its many details. It is a very complicated Bill, but I think it will meet many of the needs of Canadians which Hon. Members on both sides of the House have suggested. I hope this matter will be referred to committee after a thorough discussion at second reading.

● (1510)

**Mr. Blenkarn:** Mr. Speaker, would the Parliamentary Secretary to the President of the Treasury Board (Mr. Foster) advise us of the criteria which the Government used to place some Crown corporations in Schedule C, Part I and in Schedule C, Part II? When the representative on our side was talking to the Minister and his special assistant, Mr. Ed Clark, formerly of National Energy Board fame and lately of Paris, he was told that they could not really explain it. Does the Parliamentary Secretary think that perhaps it has something to do with audits, that they wanted to ensure, for example, that the Canada Ports Corporations would have the auditor the Minister of Transport (Mr. Axworthy) wanted appointed from Winnipeg? Was that the reason Canada Ports came under Part II? Was the reason for CNR being in Part II that Jack Horner, lately of Crowfoot, wanted to ensure that the CNR was in no way subject to a government audit? Could he explain the real rationale and at the same time explain why VIA Rail and Loto Canada are in Part I but other corporations like the Canada Ports Corporation do not qualify?

**Mr. Foster:** Mr. Speaker, the rationale for placing Crown corporations in Schedule C, Part I and Part II is that generally Part II corporations are those which are in competition in the marketplace and do not regularly receive or depend mainly upon parliamentary appropriations for funding. Those in Part I are corporations which tend to be less in competition with private sector companies and are dependent mainly upon parliamentary appropriations for their funding.

**Mr. Blenkarn:** Perhaps the Parliamentary Secretary could give us the rationale for St. Anthony Fisheries Limited, which is in competition with private fisheries companies, being in Part I, whereas the Canada Ports Corporation, which is an absolute monopoly institution—no one else can operate a port except the owner of the port facility which happens to be the Crown—is somehow in competition and is included in Part II? The other corporations in Part I are clearly in the business of being competitive. That does not fly, and the Parliamentary Secretary knows it. Is it really the audit?