

*Financial Administration Act*

kind of development. Possibly they provide a service to Canadians. Many of our Crown corporations are exactly that—service organizations. For example, we have provincial telephone companies. The understanding of Crown corporations as being necessities for the offering of utilities in most of provinces is an accepted reason for having Crown corporations.

But what happens to a number of these Crown corporations? We pass a Bill here, which is one method of forming Crown corporations or has been in the past. Possibly passing a Bill in this House is the best method. In the process of passing a Bill, we look at the reason and the objective for having a Crown corporation. Therefore, the social responsibility of a Crown corporation is put before the House. We develop objectives which are acceptable to the people of Canada by being acceptable to this House. That is the theory.

What happens after having formed a Crown corporation? This Government and the Official Opposition have developed a philosophy that if we have a Crown corporation, it must be at arm's length, that we must not have anything to do with it because if we do we will be affecting the marketplace in some way. It leaves corporations to wander through the economic world and they eventually become entities unto themselves. Every decision made by a Crown corporation is quite often for the benefit of that Crown corporation, possibly for the benefit of the managers or the board of directors or for the benefit of those people most closely concerned with it. The Crown corporations then loses some of its public responsibility.

We in the New Democratic Party believe that Crown corporations are a necessity. If we establish Crown corporations, we should do so with clear mandates of public responsibility and public direction. As these Crown corporations operate, we should keep a hand on them to see they operate within the mandate and the objectives this House has placed upon them. But that has not happened with a number of Crown corporations. As a result this Government and its philosophy has given Crown corporations in Canada a bad name. Walking down the street you quite often hear it said: "What can you expect? It is a Crown corporation".

There is no reason to believe, Mr. Speaker, that a Crown Corporation cannot be run as efficiently and effectively as any private corporation. Besides that, if a Crown corporation is run effectively and efficiently as a public corporation, it will be run in that way for the benefit of Canadians, not for the benefit of the people who own the shares and live in New York, Houston, London, or Berlin. Basically the reason we form Crown corporations is to have them operate for the benefit of Canada.

What we have right now is a conglomeration of Crown corporations that have no relationship to the public mandate which they originally had. Besides that, our Crown corporations have been allowed and have been encouraged to move into the market and pick up competitive organizations. Sometimes they pick up organizations which are not even relevant to the area in which the corporation operated initially. For instance, if you were to look at the back of this Bill, Mr. Speaker, you will see a list of corporations. Actually it is only a small list of the corporations which actually make up part of

Canada's Crown corporations. But a number of them are second, third, and even fourth tier corporations. In other words, there is no relationship between the original corporation that was formed and a secondary corporation that was purchased which owns a third, fourth, or fifth corporation and consequently becomes part of the family of Crown corporations in Canada.

We need to look at this Bill very thoroughly. In the last few months we have become very concerned about the accountability of de Havilland and Canadair. These companies have been before us so often. It has been dramatized that they are important in our every day life. We have decided publicly in this House and outside of this House that there is a need for more accountability of Crown corporations. The Government has proceeded to try and put before us a Bill which is supposed to affect the accountability of Canadian Crown corporations.

As a matter of interest, in various committees of this House we have been studying the effects of the Crown corporation structure. Particularly in recent weeks we have been studying the effects of the structure of Canadair. In various committees we have made a number of recommendations to the Government as to what could be done to improve the responsibility of the Government for Crown corporations, rather than letting them become corporations in their own right.

We had hoped that this Bill would incorporate some of the recommendations that came out of the Finance Committee, the Public Accounts Committee, and various other committees which have had to deal with Crown corporations either directly or indirectly. We hoped that the Government would adopt some of these recommendations and provide the kind of Bill which would make it possible for this Parliament to feel secure that if a Crown corporation, such as Petro-Canada, is started, it would do what it is supposed to do.

We have found out—and Petro-Canada is probably as good an example as any—that it does not matter very much what the mandate was that was given to the Crown corporation initially; it is the mandate carried out by the Crown corporation that is important. We can have all the fine words we want in the definition of the objective or mandate, but if the government in power does not have the will to control the company, it will not be controlled. If it does not put people in charge of those companies who recognize that their responsibility is to Canadians, not to the corporations or to the government, we will not have the kind of accountability which we see as necessary.

• (1220)

A number of criticisms were made of Canadair, and I would like to indicate what can happen to a Crown corporation which does not have the accountability it should have. I will spend just a few minutes dealing with Canadair. What role does a Minister in charge of a corporation play? The new Bill suggests that it will be a Cabinet role and that reporting will be to Cabinet and so on. I agree with the Hon. Member for Western Arctic (Mr. Nickerson) to some extent that if we disperse accountability too widely we will not have accountability. The