It would seem logical that, as a minimum, the minister might have outlined the general changes which he expects to bring forward with respect to Crown corporations. But that was not the case, either. This to some extent has inhibited our ability to examine this piece of legislation thoroughly and to give it the kind of special attention it deserves because of these unknown factors. When the new Crown corporations legislation is introduced, and when the royal commission brings in its findings, it will probably be incumbent upon us and the government to move some amendments. So, once again, it is on that basis that we are supporting the legislation now. The Auditor General has expressed the desire that the bill be passed as soon as possible, and we will certainly respect his wish; but at the same time I can assure hon. members that we will not be losing our files on this legislation.

The next area of concern which I want to express is with regard to the relationship between the government and the auditor general. May I say at the outset that our party's respect for and total, unqualified confidence in the auditor general has been placed on the record on countless occasions. However, I have to say that there are trends which we have observed which cause us some uneasiness. I am speaking about what appears to us and what has been perceived as a less than adequate distance between the government and the office of the auditor general. I am reminded of the words of the former president of the treasury board, the present Minister of Industry, Trade and Commerce (Mr. Chrétien), who was fond of saying that his relationship with the auditor general was cordial but not cosy. I think it is fair to say, if my observation is correct, that the relationship of the president of treasury board and the auditor general has become rather more cosy in recent times.

Let me illustrate a case in point. A clear example of this new-found brotherhood is to be found in the reaction to some 38 amendments which committee members advanced at the committee stage. The number was later reduced to 21 because of duplications, etc. The Auditor General and the President of the Treasury Board were essentially in agreement on every one of those amendments. This agreement for the most part was total, except in four instances when the President of the Treasury Board disagreed. The Auditor General termed the amendments acceptable, but prefaced that position by saying he preferred the present wording. The similarity of the position taken by Treasury Board and that of the Auditor General—traditionally two forces at cross-forces—can, if overdone, impede the effectiveness of the office of the auditor general. There is a perception, well founded or otherwise, that the auditor general might become more the auditor for the government and less the auditor of the government for parliament. That is a concern which some of us feel.

Many of the provisions in the original Bill C-20 also underlined this development. Clauses 7 and 8 require that the auditor general's report be submitted to the minister of finance, and the minister is to table it within 15 days. The results of this were made clear last November when the government used this time to devise the stalling tactic of appointing a royal commission the establishment of which was announced on the same day as the Minister of Finance tabled the Auditor General's report. Fortunately, an amendment was introduced and accepted to end this practice by referring the auditor general's annual report directly to the Speaker of the House of Commons.

I think this is a very important measure because it also serves as a symbolic gesture to parliament in that the auditor general, by referring his report directly to the Speaker of the House, becomes more directly responsible to parliament through the Speaker, and thereby to members of parliament. It is very important that the auditor general is seen in the eyes of the public as a servant of parliament. He must not be seen primarily as answerable only to the minister of finance but, rather, to be answerable to parliament through individual members of parliament and through the Speaker. I think that provision advances a principle that we feel is important.

● (1710)

It is interesting to note that at the time Bill C-20 was introduced, and throughout the subsequent debate which took place, there was no comment made by the office of the Auditor General with respect to this provision. It is fair to say that the Auditor General supported the amendment, but so, too, did Treasury Board.

Another provision which has caused hon. members on this side some concern is clause 10. Unfortunately, our amendment to correct the deficiency in it was turned down by Treasury Board and by the Auditor General. This clause provides that whenever it appears to the auditor general that any public money has been improperly retained by any person, he shall forthwith report the circumstances of the case to the president of treasury board. This clause is a continuation of the current provisions of the Financial Administration Act, and in my view it is seriously deficient. Among the several cases of improper retention of funds which auditors general have had to deal with over the years, the best known case was referred to in the 1972 annual report. In paragraph 74 of that report the then auditor general said he had to report the improper retention of moneys which involved the then president of treasury board himself. That case involved some $34 million of public funds.

In that particular case the then auditor general waited several months for the then president of treasury board to respond to his questions before he was obliged to report that illegal retention to the House of Commons in his annual report. What is more interesting is that during that lapse of time an election was held, so the facts of this matter, which could have been potentially embarrassing to the government, were withheld from parliament and thereby from the public of Canada. Because of the possibility of further instances where presidents of treasury board could arrange for the improper retention of public moneys, it is absurd and totally unacceptable to have auditors general reporting such instances only to presidents of treasury board.

My argument is strengthened by the fact that under the existing legislation the auditor general can bring forward a