

*C.N.R.—Appointment of Auditors*

parliament can change the auditors next year and there is certainly nothing permanent about the appointment.

Mr. GRAY: I agree with the minister that we can change the auditors, but we shall have to do so each year by this particular legislation we are now placing on the statute books. This power is conferred by the act of 1933 and it is that act which the government should amend rather than introduce a separate measure. I ask the minister to consider the matter.

Mr. MANION: I simply reply that I have been informed by the legal officers of the crown that a resolution of parliament means a statute. The only way in which you can pass a resolution of parliament is by passing a statute. Therefore we are carrying out entirely the course laid down last year.

Mr. MACKENZIE KING: What the minister says is quite correct, that if there is to be a resolution of parliament, an act of parliament is what is signified, but I should imagine that in the original draft of the act the emphasis was intended to be placed on the word "resolution" and not on the word "parliament." The fact that the word "resolution" appears, would seem to indicate that what the law officers had in mind was a resolution of the House of Commons; otherwise they would have adopted the customary phraseology by the use of the word "act." I have no suggestion or comment to make as to the auditors; I know nothing about the firm mentioned except what is highly creditable in every way. A larger consideration and very important principle are involved, namely that on these matters which relate to financial operations and appointments of this character which are specially related thereto, the House of Commons should maintain its position of control and, in fact, a more or less exclusive control. I can understand wherein perhaps the minister may have some reluctance to bring the original act before parliament for purpose of amendment, as it might open up a discussion on the matter generally, but even if he is obliged to run that risk, it is much better to take the right course at the outset and preserve to this house the appointment of auditors by resolution of the commons alone, than to pass acts of parliament in connection with matters for which the House of Commons alone should be responsible.

Mr. BENNETT: Now that I think of the matter, I suggest that the provision was placed there with great deliberation; it was to remove the appointment of auditors from mere political control. The House of Commons is a political organization purely and simply.

[Mr. Manion.]

The Senate need not be and very often is not. In the days of Macdonald, it will be recalled, a very important bill of his was defeated by the Senate although he had a majority there. To say that the House of Commons with respect to the appointment of auditors is in a better position to select them than another body which, under our constitution, unless we desire to amend it, has equal powers regarding matters of this kind, is, in my judgment, a wholly erroneous view. I find the argument advanced difficult to follow. I believe a firm of auditors selected by the Senate, if I might mention that body here, would be probably a better selection than could be made by the commons and one more apt to be free from any political consideration or control. There is no question of politics in this appointment for the simple reason that this firm has been employed for several years; but the point made by the hon. member for Muskoka (Mr. McGibbon) and referred to incidentally by the hon. member for Battle River (Mr. Spencer) is, in my judgment, well taken. It will be recalled that in the Bank Act provision is made that auditors are to hold office for a limited time only and that other auditors have to be appointed as shareholders' auditors. The reason is obvious and I can only say that so far as the government is concerned, it will follow very closely what has been said by the hon. gentlemen, the only difficulty being this, that inasmuch as the auditors will be for the year 1934, continuity in audit might be lacking if the house did not meet until later than January by a whole month, because the appointment would have to be made at once by parliament for the year 1935. But as the matter stands, in order to remove any doubt such as that raised by the hon. member for West Lambton (Mr. Gray), I suggest that the minister add the words "for the year 1934," although this is not required, for the preamble is the power conferring provision and the section is the exercising of the power; as the power can be exercised only for an annual appointment, it follows that the appointment is for one year and one year only. But if the minister is satisfied that any of the members are in doubt about the matter, it can be removed by adding the words "for the year 1934."

But I think it is unfair that with respect to some matters there should be constant effort made to suggest that this house has a position superior to that of any other part of parliament. Parliament is a composite body, consisting of three elements, the crown, the senate and the commons. And as has been said so often, they must act in cooperation to effect