

*Freshwater Fish Marketing Report*

**Mr. Deputy Speaker:** Is it the pleasure of the house to adopt the said motion.

Amendment (Mr. Osler) agreed to.

**Mr. Knowles (Winnipeg North Centre):** One o'clock.

At one o'clock the house took recess.

**AFTER RECESS**

The house resumed at 2 p.m.

**Mr. Lloyd R. Crouse (South Shore)** moved:

That Clause 17 be amended by adding thereto new subclause (3) as follows:

"The accounts and financial transactions of the Corporation shall be audited annually by the Auditor General."

He said: Mr. Speaker, my comments this afternoon will be directed to Bill C-148, an act to establish the Freshwater Fish Marketing Corporation, with special reference to the financial control of the corporation.

Clause 15 of the bill, for example, provides that the corporation is to be a corporation within the meaning of the Financial Administration Act. Clause 16 provides that the Minister of Finance (Mr. Benson) may make grants to the corporation not exceeding in the aggregate \$100,000 to enable the corporation to meet initial operating and establishment expenses, while under clause 17 the Governor in Council may authorize the Minister of Finance to guarantee and make loans to the corporation up to an amount which shall not exceed \$5 million.

There is nothing in the bill, which I have read from cover to cover, about the books to be kept or who is responsible for the preparation of financial statements or who is responsible for auditing the accounts of the corporation. In the absence of any direction in the act, section 85 of the Financial Administration Act leaves the financial statements of the Crown corporation subject to such directions as to form as the Treasury Board may give, and states under section 77 (1) that where no provision has been made in any act for the appointment of an auditor the Governor in Council shall designate someone to serve as auditor.

I believe that the question therefore arises whether the Auditor General is to be appointed the sole auditor or a joint auditor in accordance with the recommendations made by the Public Accounts Committee in its

[Mr. Lundrigan.]

eighth report of 1964-65. I hope that the government will agree that it would be in the best interests of parliament in its control of public funds if the Auditor General were empowered to audit the accounts of all the Crown corporations, agencies and other public bodies which are owned or controlled by the Crown and report thereon to the house.

It is for this reason, therefore, that I move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan), that the following amendment be incorporated into the act to regulate interprovincial and export trade in freshwater fish and to establish the Freshwater Fish Marketing Corporation:

That clause 17 be amended by adding thereto new subclause (3) as follows:

"The accounts and financial transactions of the Corporation shall be audited annually by the Auditor General."

**Hon. Otto E. Lang (Minister without Portfolio):** Mr. Speaker, it is with some regret that I rise to say that I am opposed to the amendment because I am certainly not opposed to the general sentiment and spirit of the mover of the amendment as recently expressed. Indeed, under the existing provisions of the bill, without this amendment it is a very likely possibility that the Auditor General will in fact be appointed to be the auditor of the corporation. In the absence of the amendment as now proposed, section 77 (1) of the Financial Administration Act applies and allows the Governor in Council to designate a person to audit the accounts and financial transactions of the corporation. The Auditor General is eligible to be the auditor or joint auditor. This means that the result desired by the amendment may—and I emphasize the word "may"—be accomplished under the existing bill without the amendment.

• (2:10 p.m.)

The difficulty with the amendment lies really in a double proposition. First, the government would like to have the advice of the directors of the corporation and its managers before making a final decision in regard to this matter. The other part of the proposition, and the reason for the first part, is that it is very possible, in terms of present considerations in connection with the operations of the corporation, that various commercial accountants will have to be engaged by the corporation, especially in the early phases of its operation, to deal with many parts of its operations. It may well be most desirable at that time to use similar services in connection with auditing.