

too broad, enabling contracts to be let without tenders being called, but that is a question that I think perhaps should be discussed when we are either in the House on bill 26 or if that bill should be referred here.

The CHAIRMAN: Now, gentlemen, we have concluded our consideration of bill 25.

Hon. Mr. ABBOTT: I wonder if I might be permitted—I do not wish to hold up the bill, gentlemen, but there has been some discussion as to section 77 relating to the eligibility of the Auditor General as an auditor for crown corporations, and I think some concern was expressed that in the case of these companies which are incorporated under the Companies Act it might be competent for the directors of those companies to appoint an auditor without reference to the Governor in Council or anybody else. So, with that in mind I would be happy if someone would move an amendment to section 77 adding this as subsection (1):

Section 77 (1)

Where, in respect of a Crown Corporation

(a) no provision is made in any Act for the appointment of an auditor to audit the accounts and financial transactions of the corporation, or

(b) the auditor is to be appointed pursuant to the Companies Act, 1934,

the Governor in Council shall designate a person to audit the accounts and financial transactions of the corporation.

Subsection (2) will be "notwithstanding any other Act, the Auditor General is eligible to be appointed the auditor, or the joint auditor of a Crown corporation".

It seems to me that would meet the points which have, very properly, been raised, that it might be competent to the directors of one of these crown corporations, without consulting the government or anybody else, to appoint someone they wanted as auditors.

Mr. MACDONNELL: Which clause is the clause that provides the Governor in Council may ask—oh, yes, section 71.

Hon. Mr. ABBOTT: Could we just move this?

The CHAIRMAN: Mr. Kirk moves that section 77 be amended by adding subsection 77 (1):

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Where, in respect of a Crown Corporation

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the Governor in Council shall designate a person to audit the accounts and financial transactions of the corporation.

Mr. GIBSON: Mr. Chairman, that would allow the Governor in Council to appoint the auditors for the Canadian National Railways?

The CHAIRMAN: It makes them eligible.

Mr. GIBSON: It would save a bill being put through parliament each year?

Hon. Mr. ABBOTT: That is right, the effect of it is that the Auditor General is eligible to be appointed auditor of any crown corporation.

The CHAIRMAN: It does not mean that he will be. There will still have to be an Act to appoint him.