

*Trading with the Enemy*

this house during all those war years, and those annual reports of the auditors have not as yet been tabled. The Secretary of State mentioned the fact that he tabled the auditors' reports before second reading of this bill was called. Actually those auditors' reports he tabled were only three in number. There was one by P. S. Ross and Sons, dated October 20, 1943, an audit of the accounts of the custodian's office in Vancouver. There was an audit report by Price, Waterhouse and Company covering the period from December 11, 1941, to December 31, 1946, on the enemy section of the Vancouver office. The third report is by Price, Waterhouse and Company on the audit of the accounts at December 31, 1945. The annual reports, however, have not as yet been brought before the house.

During the debate on the resolution preceding the introduction of this bill, the present Secretary of State also mentioned that, since assuming his portfolio, he had arranged for the audit of these accounts by the auditor general. That is another striking fact, that in all these years these accounts, which were of very great importance, involving vast sums of money, have not been submitted for audit by the auditor general, parliament's own auditor. It is only within recent weeks that the auditor general has been asked to conduct an audit of these accounts.

As to the report, it came as news to this house from the Secretary of State that annual reports have been made in his department on the administration of enemy property. I ask why those annual reports were never tabled in this house during the war years. Here is a very important section of the public business which was withheld from parliament during the war, and I ask why. What justification can there be for having withheld from parliament, the elected representatives of the people, these annual reports by the custodian of enemy property on the administration of these assets confided to his custody? I trust that now the house is going to assume the responsibility of seeing that these accounts are properly reviewed in committee; but it should not have been left to 1947, to this present session, to undertake a review of reports and audits that have been proceeding annually all these years. I submit that the government is deserving of censure for having withheld from parliament during all those years any report whatever on this important section of the public business. The government got the power, and immediately they rang down the iron curtain. What has been

[Mr. Fleming.]

going on in the office of custodian of enemy property during the past seven and a half years has gone on behind the iron curtain.

Mr. GIBSON (Hamilton West): If my hon. friend will permit a question, would he have advocated the filing of a report making public enemy assets in this country, or assets in this country belonging to aliens who were under the control of the enemy while the war was proceeding?

Mr. FLEMING: No; for it was not necessary at all to put the reports in such form that the accounts of individuals or the property of individuals would have been made public.

Mr. MITCHELL Your iron curtain looks like a lace curtain after that statement.

Mr. FLEMING: Nonsense. There was no occasion whatever for ringing down that iron curtain on any report whatever in connection with these audits, on the administration of this vast section of the public business.

The Secretary of State also mentioned the fact that he had tabled a report. It is true that he tabled a report, and I think the house is obliged to the hon. gentleman for having done so. That report is dated January 15, 1947. This did not comprise the annual reports written by the officials of the department during all those years; it was a single report written in January of this year by an official of the department, Mr. Mathieu, the assistant deputy custodian. This report at least was dated prior to the introduction of the resolution. But it was not tabled until after the bill had been introduced.

I submit that this report is of considerable importance. It ought to occupy the study of the public accounts committee, and I believe there are some sections of the report about which the house should know, even now. When mention is made of the fact that the accounts were audited, the house should know as well that there are limitations as to the extent of the audit that was undertaken. Those limitations will appear from several extracts which I should like to read from the reports of the auditors. These extracts will be brief, because I do not purpose detaining the house at length in the reading of them. There are some, however, which, as I say, I believe the house should know. These will deal with several different aspects of the administration.

From the report of Price, Waterhouse and Company on the enemy section, Vancouver office, for the period of December 11, 1941, to December 31, 1946, I quote these extracts; first, the following, from pages 6 and 7: