

Canada spending three or four hundred millions. Our vote for the French office, on the continent, is \$42,000. Just think of any official for a moment considering or reporting that there is difficulty in putting in a pre-audit here because it cannot apply with the same force where we are spending \$42,000 on the Parisian office! We are spending a few thousand dollars in the Yukon, and undoubtedly the method of procedure would not be exactly the same in the Yukon as at Ottawa. There would be a little further distance to go and greater difficulty in having a pre-audit there than there would be here, so that business could be carried on day by day without that restriction; but on the general issue there is no difficulty whatever about the pre-audit. The bill I have referred to was prepared for me by Mr. Edwards, who is now one of the members of the board. The reason why I went to him is this. One of the greatest successes that the world has ever seen was the manner in which the different forces of industry in Canada were co-related, one with the other, under the Imperial Munitions Board. At one time there were upwards of six hundred factories carrying on different parts of the work, doing the work where it could be done in the cheapest manner, and in the best way. It was all done on the one account. Those people had to get the money regularly and quickly. Nevertheless over all that area, covering these hundreds of plants, involving the expenditure of a tremendous sum of money, the purchases of great masses of raw material, there was such a system of pre-audit put in by Mr. Edwards that by eleven o'clock in the morning the state of business of the day before was known, and by the afternoon of the same day cheques could be issued under the pre-audit system under which every interest was absolutely protected, with the result that costs came down enormously. That is just simply ordinary business management.

Mr. GOOD: Common sense.

Sir HENRY DRAYTON: Absolutely, common sense and nothing else; there is no mystery about it. When I took office in 1910 as electric light commissioner in Toronto, where there was not a pre-audit system, I know the changes that we made in six months after we had that pre-audit system in, how business was easier and money was saved, and how leaks here and leaks there were checked. I am not only going to submit to my hon. friend to look into it further, but I am going to pray him to stop looking into it and tell Edwards to go ahead and do something. He can do it. There is no difficulty about doing

[Sir Henry Drayton.]

it at all. If we introduce theoretical gentlemen into this thing a whole lot of difficulties can be created and we can have nice refinements drawn here and there involving long reports. Some little thing over in France, some small matter away up in the Yukon, would have to be looked into, and long reports would be prepared and submitted. But it is not necessary to pay much attention to that sort of thing; it is a plain matter of everyday business which is exceedingly simple to anyone accustomed to organizing large ventures. I admit that it is not ordinary auditing; it is a matter of devising a proper system to take care of business on a large scale, and it necessarily must involve considerable abilities in the way of organization. But we want the best and most approved methods of organization to-day in vogue in Canada, and I hope my hon friend will be able to see his way to take some action in the matter.

Mr. GARLAND (Bow River): Would this audit be independent?

Sir HENRY DRAYTON: It is absolutely independent in the sense my hon. friend speaks of, but it is an audit within the government. The hon. member will see that in connection with all these matters the systems of auditing practised by large institutions are inter-dependent; but there is a difference between the auditing staff and the spending staff. The auditing staff is entirely apart from the organization of the minister.

Mr. GARLAND (Bow River): What is the present system?

Sir HENRY DRAYTON: Under the present system we have separate bookkeeping institutions in the various departments. We have a whole gamut of books, and we have departmental auditors.

Mr. GARLAND (Bow River): I had reference to the Finance department.

Sir HENRY DRAYTON: The Finance department to-day has practically no control; the only thing we have outside of the departmental audit is the general audit, and, as hon. gentlemen know, that is rather late.

Mr. ROBB: We have a complete audit within the department.

Sir HENRY DRAYTON: That is within the department itself. I am not saying anything against the audit of the Finance department; so far as I know that was put on a proper basis. At one time however we had trouble there and I instituted certain investigations, which were not pleasant, involv-