

(e) Part V, to consist of such miscellaneous statements as may be necessary to report all transactions not included in the preceding parts.

(f) Part VI, to consist of the report of the auditor general on the statements in the preceding parts and on such other matters as he is required to report to the House of Commons.

It will, I think, be apparent at once to the house that a single report of this type will be an enormous convenience to members in their work of analysing and appraising the multifarious transactions which are necessarily involved in the receiving and spending of a sum of money approximating four billion dollars. When sums of this magnitude are expended in millions of individual transactions, the work of the member who seeks to understand the operations of government is bound to be difficult enough in any case; it is incumbent upon us, I think, to see that he does not have to wade through a chaotic mass of material scattered over two massive volumes, each covering largely the same field but in a different way. It seems to me, also, that presentation of the accounting records relating to expenditures on the same basis as the details in the estimates should facilitate a better control by the house when voting supply.

In regard to the degree to which itemization of detail will be carried, it will be noted that responsibility for decisions in this field will in effect have to be assumed by the Minister of Finance, because the deputy minister of finance and the comptroller of the treasury are his officials. Probably the Minister of Finance should be in a better position than anyone else to give directions as to the nature of the breakdown necessary to elucidate transactions of interest to the house. If the minister does not go far enough to satisfy hon. members he can be called to account on the floor of the house.

In so far as I personally am concerned, my attitude will be to place primary emphasis on the necessity of disclosing to the house all information that is really useful in enabling it to perform its essential functions. Naturally, in regard to war expenditures, considerations of secrecy will have to be kept in mind because of the necessity of not giving aid to the enemy; in regard to all expenditures there are also considerations of man-power shortage and cost which call for every practicable economy consistent with the public interest. In this latter connection I may add that I hope the new procedure will lead to certain savings in staff and in cost by the elimination

of some duplication existing at present in the accounting work of the Department of Finance and the auditor general's office.

The public accounts and the auditor general's report for the fiscal year 1941-1942 are now in the course of preparation and must be ready this autumn. It is impossible to effect the various changes in organization and staff and the necessary adjustments in accounting systems in time to implement the recommendations I have outlined above, in connection with the reports now in preparation. If, however, the recommendations are satisfactory to the house, they will be put into effect in time to have their results appear in the report for the current fiscal year, which will be issued in the fall of 1943. I am advised, however, that the auditor general's report for the last fiscal year is being enlarged so that the house will receive a fuller disclosure of information, for which some members have been asking. Last year, for reasons beyond the control of the audit office, it was found to be impracticable to bring together a tabulation of payments to war contractors, charged to the Department of National Defence, at any figure under \$25,000. That task, it will be noted, is statistical rather than audit, but the audit office has installed a punch-card equipment which will enable the record to be carried down to payments as low as \$10,000, a figure which should give a good over-all coverage. I believe an attempt will be made to make the record as illuminating as possible within the limits imposed by necessary considerations of secrecy. In regard to the departments generally, there will be certain variations in the details of the accounting record. In some cases a break-down of expenditures under a particular vote into payments of \$1,000 or less will be necessary to give a clear picture of what has happened, while in other cases a \$5,000 minimum may tell the story fairly. That, I understand, will be the general objective of the auditor general—to tell the story in all cases in as clear and simple a way as may be practicable.

I trust that what we are trying to do this year will prove acceptable to the house under all the circumstances and that the more important changes which I have recommended in regard to the report which will appear next year will be warmly welcomed.

I was also asked to make a statement or give the house some information as to the audit and treasury control of crown corporations. I have a statement on that subject which I now lay on the table.