

Canadian National Railways

accountant, or of McDonald, Currie and Company or of Ross, Touche and Company. The reason the change is being made is that Touche and Company are the traditional auditors of the C.N.R.

Mr. Langlois: Mr. Chairman, is that sufficient reason for changing the auditors, because the other one has been there and it is more or less a tradition? I should like to ask the parliamentary secretary to the Minister of Finance to explain the statement that it is something of a tradition in the auditing of the C.N.R. books that there should be a change. If one is doing the job properly, why not keep him?

Mr. Benson: There has been no long experience with the present firm, who are auditors of the C.N.R. for the year 1963. This is the first year of this firm's appointment as auditors. We are not questioning the professional integrity or competence of either of the firms, but the firm presently doing the C.N.R. audit has had the appointment for only one year. The technique of auditing the C.N.R. books has been built up by the firm of George A. Touche and Company, which is now Touche, Ross and Company, over a great many years, and we believe they are perfectly competent. Without in any way questioning the competence of the other auditors, perhaps this firm, under these circumstances, is the best firm to perform the audit.

Mr. Langlois: A supplementary question. Was the auditing of the C.N.R. done well last year?

Mr. Benson: It is not finished yet.

Mr. Langlois: How can you change them if it is not finished?

Mr. Benson: The audit for 1963 is not finished. McDonald, Currie and Company were the auditors for 1963 and the audit is not finished. It will be coming forward to the house in due course. We are appointing auditors for 1964, if the hon. member looks at the bill.

Mr. Langlois: I agree you are naming them for 1964, but you said a minute ago the others had done a good job. Would it not be better to wait for the report, and if the auditor has done a good job to keep him?

Mr. Benson: The auditors have to be appointed in advance. It is a continuing audit which starts on January 1. The auditors should be appointed before the beginning of the year. The audit of the C.N.R. is a tremendously large task.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, I should like to ask the parliamentary secretary to

[*Mr. Benson.*]

the Minister of Finance whether he expects the deficit of the C.N.R. to be smaller following the change of auditors.

[*Text*]

I should like to ask whether the deficit of the C.N.R. will be reduced because they are auditors?

Mr. Benson: Being a professional auditor prior to my coming to parliament, I wish I could say that auditors did decrease a deficit merely by being auditors.

[*Translation*]

Mr. Lessard (Lake St. John): I should like to put a question to the parliamentary secretary to the Minister of Finance. Could he inform the house whether this new attitude of the government means that the auditors will be changed every year so that every reputable accounting firm may have its turn? That seems to be the government's new policy.

[*Text*]

Mr. Benson: The auditing of the C.N.R. is an annual appointment.

Mr. Caouette: I should like to ask the parliamentary secretary this question. According to what he has just said, this firm has been hired, or their services have been retained, by the government of Canada for many years prior to 1957. They were changed in 1957 and the de Lalanne firm was appointed when the Conservative government took over. Now the Liberals are back in power and they are returning to the same company. Do you not think, Mr. Chairman, that this is purely and simply political patronage on the part of the government?

Mr. Benson: I would say not. There are really very few firms in Canada of a size which would enable them to carry out the audit of the C.N.R. Speaking offhand I would say there are about four firms. Clarkson, Gordon and Company is one of these firms. They were the auditors of the C.N.R. in the thirties. Touche, Ross and Company are another firm capable of carrying out an audit which is on a nation-wide basis. McDonald Currie and Company are carrying out the audit at the present time for 1963. They are a large firm. There are really very few other firms which could handle an audit of this size.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I see that the hon. member for Levis (Mr. Guay) would like to have the floor. Since he has not had a single opportunity to speak since the beginning of the session, I should like you to recognize him.