

the auditors there would be no need to re-appoint them; in other words, they would carry on until their successors were appointed. But that is a matter for discussion next year. It has been decided, after a good deal of consideration, that the auditors who have been doing the work for a good many years—I do not know exactly how long, but eight or ten years at any rate—are so well trained in the work and are so capable that it would be wise to appoint them at least for this year. I am informed by the railway people themselves that it would take quite a long time for any group of auditors to learn the method of auditing such an immense system of books and accounts as are contained in this vast business. For example, I am told that there are no other chartered accountants in Canada who are familiar with the Interstate commerce commission's type of accounting and the accounting of the Canadian National Railways is carried on under the same rules as those of the Interstate Commerce commission for the railways of the United States. If it be true, as I am informed, that there are no other companies of chartered accountants in Canada who are familiar with that type of auditing, it would probably take many months for a new company to assume charge of the auditing and become familiar with it. Therefore, after a good deal of consideration, we felt that it would be wise, at any rate for this year, to appoint George A. Touche and Company, and I intend to move that the name "George A. Touche and Company, chartered accountants of the city of Toronto" be inserted in section one of this bill.

Mr. SPENCER: For how many years have the same auditors been engaged?

Mr. MANION: I believe for eight or ten; they have been doing that work for many years anyway.

Mr. STEWART (Edmonton): Was the minister advised by the law officers as to the necessity for making this appointment by statute rather than by resolution which would confine it to the House of Commons?

Mr. MANION: I was so advised.

Mr. BENNETT: In the main act the resolution is a "resolution of parliament" and a resolution of parliament does not mean a resolution of the House of Commons; that is all. Parliament means the Commons, the Senate and the Sovereign. The only way to meet that condition was to pass a statute or else amend the main act and provide that the resolution should be one of the House of

Commons. Rather than amend that act, we are following the course the act indicates—passing a resolution of parliament.

Mr. STEWART (Edmonton): It seems to me that this is making appointments in connection with the operation of the Canadian National Railways very difficult to change. It is all right to say that they can be changed by statute, but a statute requires the consent of both houses. This is a case in which the intention clearly was to leave the matter to the commons itself. If the main act did not make that provision, it appears, to me that it should have done so, because after all the House of Commons is the body that is responsible for the operation of the national railways.

Mr. BENNETT: Not any more than the Senate.

Mr. STEWART (Edmonton): My right hon. friend and I may differ in that regard.

Mr. BENNETT: There cannot be a difference of opinion.

Mr. STEWART (Edmonton): Yes, there can be a difference. There was considerable controversy in the passing of the act last year.

Mr. BENNETT: Not on this point.

Mr. STEWART (Edmonton): Not on this particular point because it did not arise, but it arises now and personally I want to protest.

Mr. GRAY: I do not have the act of last year before me, but it appears to me that once the name of George A. Touche and Company is inserted in this bill, they are made permanent auditors of the Canadian National Railways unless the act is repealed.

Mr. MANION: May I read the section to my hon. friend; it is section 13 of the act of last session. It reads:

A continuous audit of the accounts of National railways shall be made by independent auditors appointed annually by a resolution of parliament and annually reporting to parliament in respect of their audit. Their annual report shall call attention to any matters which in their opinion require consideration or remedial action. They shall be paid by the national company such amounts as the governor in council shall from time to time approve.

The only way we could do this other than the way in which we are doing it would be by changing the act of last year, because it distinctly states, as the Prime Minister pointed out, that the appointment shall be made by a "resolution of parliament" and according to my information that can be done only by a statute of that kind. As the bill says that the appointment is to be made annually, this