

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): When this measure was introduced I asked the Minister of Railways to give an explanation, and my recollection of that explanation is that the minister said it was to appoint auditors as provided by the Railways act of last session. Looking however at the bill which has been presented, it appears to be a bill to amend the act of last session and to have the auditors appointed by act of parliament rather than by resolution of the House of Commons. That is hardly in accordance with the explanation given by the minister.

Mr. MANION: As a matter of fact, the leader of the opposition is correct in using the word resolution. On looking into the matter however we find that we could not do it by resolution of parliament. If it is done by parliament, which comprises the King, the Senate and the House of Commons, it must be done by statute. I fancy that there was rather a slip-up last year in this respect. My impression was that it was by resolution of the House of Commons, but unfortunately we made it "resolution of parliament," and I am advised by the legal officers, both of my own department and of the Department of Justice, that the way proposed is the only way of carrying it out.

Mr. MACKENZIE KING: It may be irregular to be debating the measure on the second reading. Perhaps I may be pardoned however, if I say a further word, in view of the explanation given at the outset and the change in the significance of the measure in what is now proposed. My own feeling would be that the intention originally was to have the auditors appointed by resolution of the House of Commons. I believe it would be better to provide in the measure for resolution by the Commons and to proceed along that line rather than to appoint the auditors by act of parliament. There is one other fact I would mention, and that is that the essence of the appointment will lie in the names of the persons to be appointed, and the bill as presented leaves that blank.

Mr. MANION: I will tell the right hon. gentleman who they are.

Mr. MACKENZIE KING: Before agreeing to the second reading of the bill, if we are doing more than agreeing to the appointment of officers, the house ought to know the names. Would not the minister consider the suggestion I have just made of having the auditors appointed by resolution of the House of Commons? I will be perfectly frank as to what I have in mind. The House of Com-

[Mr. Manion.]

mons is the body that primarily has control over money matters. It has always been of special concern to the House of Commons to deal with all problems of finance, and we ought not to be asked to share that power with another branch of parliament. If there were appointed auditors whom the House of Commons might wish at any time to change, this house should be free to make that change without having to obtain the consent of the Senate.

Mr. MANION: If my right hon. friend will allow the bill to go into committee we can discuss that point afterwards. I have not given any thought to the suggestion he has made, though I do not see any objection to the matter standing as it is, because the appointment is only for one year in any event. The provision adopted last year was that a continuous audit of the accounts of the national railways should be made by independent auditors appointed annually, and so forth. So that it will have to come up next year, though that would not be necessary if the intention were to leave the same auditors; and inasmuch as we intend to appoint the auditors who have been there for a good many years I do not think the house will object.

Mr. PETER McGIBBON (Muskoka-Ontario): I voice my objection to the last statement of the minister. I do not think that one firm of auditors should be continuously auditing the accounts. It might be all right for three or four years, but I think there should be a change every three or four years, in the interests both of the railways and of this parliament. I am glad to note the minister's statement that it is only for one year, because otherwise I should be very much disappointed.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Gobeil in the chair.

Section 1—Auditors appointed.

Mr. MACKENZIE KING: Will the minister explain?

Mr. MANION: We intend to appoint, for this year at any rate, the same auditors who have been carrying on for many years, George A. Touche and Company of the city of Toronto, chartered accountants. In reply to my hon. friend from Muskoka-Ontario, there is no reason why these auditors need necessarily remain longer than one year; the provision which I have just cited states that the auditors shall be appointed annually. I said that if we did not desire next year to change