

Mr. GARLAND (Bow River): The minister in his statement, which I congratulate him upon as being very frank so far as it went, made some reference to the bond coupon defalcations. May I ask the amount, and whether any or all of it was refunded?

Mr. ROBB: It was Dominion notes, I am told. I have not got the amount here. It happened before I came into the department.

Mr. GARLAND (Bow River): Certainly the department should have that information.

Mr. ROBB: I think that information will be available in the department, but I have not got it here.

Mr. GARLAND (Bow River): I wonder if the minister would know whether any part of it was refunded, or whether it all vanished.

Mr. ROBB: I understand there was a certain amount of it recovered.

Mr. GARLAND (Bow River): But not all of it?

Mr. ROBB: No.

Mr. GARLAND (Bow River): Were those coupons audited by the Finance department only?

Mr. ROBB: If my hon. friend had been following me, he would have observed that they were audited by the Auditor General's department.

Mr. GARLAND (Bow River): I thought it was Dominion notes the minister was speaking of then. Were the bond coupons also audited by the Auditor General's department?

Mr. ROBB: Yes.

Mr. GOOD: I was in the committee, and I may say that the Auditor General stated very frankly that the internal audit in the department was in a sense very effective. But I submit to the minister that we should not be satisfied with any kind of an internal audit. I think if the Auditor General is to do effective work in any of the departments he ought to be allowed to go in and make such examination as he thinks fit, no matter how effective he may consider the audit to be. Now, he submitted yesterday, in another connection, that he was not quite sure that he had power to go in and make an examination in one of the other departments.

Mr. ROBB: That is in the Income Tax branch?

Mr. GOOD: Yes. I do not wish to enter into that matter now, but I should like to submit to the minister that in connection with the Finance department, the Dominion notes, and so on, it would be some satisfaction if the Auditor General make a systematic audit, even if it be simply a test audit, of the work being carried out in the department. In that way the country will be given some assurance that we are not depending wholly on an internal audit. One other point: Did I understand the minister rightly to state that in this contract for the printing of Dominion notes stamps were included? If so, what stamps—postage as well as excise stamps?

Mr. ROBB: Yes, but the postage and excise stamps are not in this vote. This just covers the printing of the Dominion notes.

Mr. GARLAND (Bow River): Are letter of credit cheques issued by the department?

Mr. ROBB: Yes, but not by all the departments. Since my hon. friend has brought that matter up I may say that I purpose, if I get time before the close of the session, to bring in a new act, slightly different from the other, in connection with the Board of Audit Act, which expires July 1 this year. I purpose asking the members of that board to go very carefully into the matter with a view to changing the system of handling the finances of the country. I think we should have a pretty complete control not only over the expenditure but over the revenues. I should like to say, in answer to my hon. friend the member for Brant (Mr. Good), that there is at present a test audit made as I pointed out in the statement I made a few minutes ago. The Department of Finance welcomes a test audit, but if my hon. friend himself were in charge of the department and responsible for its administration he would rather resent the Auditor General sending in a man that he himself had dismissed for incompetency.

Mr. GOOD: Quite so.

Mr. SPENCER: As regards the printing of notes, I surmise that the printing of the smaller notes—one-, two- and five-dollar notes—would cost the same as the larger notes, the \$100 notes or even the legals?