

came into my head that we would have to do something of the sort, because the auditors of last year, that is Touche and Company, really were automatically discharged on December 31. In the original act under which we appoint these auditors, the one from which I quoted, the Canadian National-Canadian Pacific Act of 1933, section 13, subsection 2 reads:

Notwithstanding anything in this act contained the now existing auditors of the Canadian National Railways shall continue in office and perform their duties as such until their successors have been appointed under this act and have commenced to perform their duties.

I think wording such as that would cover the ground. I would not like to do this right off the bat, so if my hon. friend will accept my word, on the third reading of the bill I shall endeavour to cover the ground suggested by him when the time comes.

Mr. HEAPS: When do the services of Touche and Company terminate?

Mr. MANION: I pointed out to some other hon. member that they will automatically carry on until their successors take over. We are legalizing this.

Mr. HEAPS: When will that be?

Mr. MANION: I am afraid my hon. friend was not listening. A few minutes ago somebody else asked the same question and I said that it could not be until after the act received its third reading; it will be some time after that. It will be the earliest time possible after the act has received its third reading, had the approval of the other house and is assented to by His Excellency.

Mr. SANDERSON: I take it from the minister's statement of a few minutes ago that the remuneration to Clarkson, Gordon and Company will be \$50,000 plus expenses. About how much would the expenses be?

Mr. MANION: I had occasion to look that up. Last year they were between \$4,000 and \$5,000. I am speaking subject to correction, although I think I am right. No expenses are paid for services in Montreal, but expenses are paid where any of their auditors are sent out on the line. Any auditing firm auditing such a huge business organization as the Canadian National Railways must have auditors on the work continuously and some of them have to travel throughout the country. When they do so, they are paid expenses. Last year they amounted to something like \$4,000 or \$5,000.

[Mr. Manion.]

Mr. SANDERSON: What is the amount that has been paid to Touche and Company?

Mr. MANION: It is \$50,000 a year.

Mr. SANDERSON: There is no change in that amount?

Mr. MANION: No.

Mr. STEWART (Edmonton): I am not particularly interested in the discussion as to the change in auditors although I think the minister might have had a better reason for suggesting the change than the one he has offered, for after all, from the statement of the minister, those auditors appear to have been giving perfect satisfaction. But I want to say something in connection with all this railway discussion and particularly with regard to the propaganda that is going on from some sources in Canada and that persists in going on despite the repeated statements of the minister himself, speaking on behalf of the government, that there is no intention on the part of the government to consider amalgamation of any sort. That should settle the matter so far as the government is concerned, but despite those statements there is a persistent propaganda being carried on throughout Canada that the Canadian National Railways is the big problem or one of the big problems to be met and settled by the government either now or at some future date.

I would like to suggest to the minister that he consider the writing down of the capitalized debt of the Canadian National Railways because I agree with the hon. member for North Waterloo that the government persist in capitalizing this road to the fullest extent possible, charging interest upon this capital and thereby presenting such a picture to the Canadian people that if amalgamation or perhaps absorption, which would be worse in my opinion, of another corporation were considered, that would perhaps meet with some approval by the public. I am one of those who dread that sort of thing because I have lived in western Canada under conditions where we had one corporation. I do not say that they did not render service, but they rendered service when it pleased them and not when it was satisfactory to the shippers. I think anyone who has lived through that period will agree with me.

I was a member of a government that did perhaps foolish things in order to try to correct that situation; I admit that now. Those are all incidents of the past, but we have this problem on our doorstep and it is one that, I agree with the most ardent propagandists with regard to the matter, is