

destruction, so as to steal some thousands of dollars, for which offence a term of imprisonment was imposed.

After this occurrence, the Auditor General's department still carried on the same casual audit, and after being appealed to on more than one occasion by officials of the Department of Finance to put in a thorough audit, is still following the same procedure to-day.

I would like hon. gentlemen to observe that I am not now referring to the present Auditor General.

Mr. GARLAND (Bow River): In what year did this imprisonment take place?

Mr. ROBB: I think it was between 1919 and 1921. And another man, I think, took his own life.

Mr. GARLAND (Bow River): Was this in connection with war bond coupons?

Mr. ROBB: It was in 1922, I am informed. The memorandum continues:

Without the efficient audit which our own officials maintain, it would still be possible for officials of the department, by collusion, to obtain a certificate of destruction from the Auditor General's representatives covering notes which have not actually been destroyed. This is the condition which the department has appealed to the Auditor General to rectify, without result.

Under the test audit as now conducted by the Auditor General's staff of millions of \$1, \$2 and \$5 notes withdrawn from circulation, the amount of notes counted is only one-half of 1 per cent of the total notes destroyed; the balance are left in sealed packages and taken as correct and destroyed.

Hon. gentlemen will note that the amount of notes counted is only one-half of one per cent of the total notes destroyed; the balance being left in sealed packages and taken as correct, and destroyed. I would observe that that is evidence that the Auditor General's department have taken our audit, and our audit is, we claim, pretty correct.

Now I will give an instance of the conditions that make the men who are responsible for the Department of Finance very chary as to who is allowed to go through these locked gates and into these vaults, and I think this will appeal to hon. gentlemen.

Mr. HANSON: You do not let members of parliament in?

Mr. ROBB: Not without a permit. I will now give the instance:

Further, this audit is conducted by a junior clerical staff of the Auditor General's department, inexperienced in currency work. Recently, a junior clerk employed in the transfer of securities and notes from one branch of the department to another, was released from our employ on account of unsatisfactory services. In the course of a few weeks, this man appeared in the Currency branch, as representing the Auditor General, for the purpose of examining and passing on notes prepared for destruction. He was without experience and qualifications to assume such responsibility.

[Mr. Robb.]

I am not saying that this was done at the instance of the Auditor General, the Civil Service Commission may have sent this man to the department; but I say that this man had been dismissed from the Department of Finance for incompetency, and he was sent in to conduct an audit.

Mr. HANSON: You did not have to take him.

Mr. ROBB: We did not take him. To continue:

As a further evidence of the incompleteness of the audit of the Department of Finance carried on by the Auditor General's department, it might be mentioned that to date there has been no audit by that office of expenditures relating to the payment of interest on Dominion bonds, which amounts to about \$125,000,000 a year.

In view of the impression which some people appear to have gathered from the press reports of the evidence taken before the Public Accounts committee, I would be very glad indeed if the Public Accounts committee could have a meeting and call in as a witness the Comptroller of the Currency, who has charge of that branch. I am sure he will satisfy hon. gentlemen that there is a very complete audit, one system balancing against the other, and all checked. As I said before, no person is allowed to go out, not even a junior clerk, until everything is balanced at night.

Mr. HANSON: In justice to the officials in his own department, why does not the minister himself ask the Public Accounts committee to take this up?

Mr. ROBB: I am asking them now. I think I should go a little further. I have read a part of the evidence—I did not have time to read it all—and I gathered from the evidence that the Auditor General made it pretty clear that in his judgment there was a satisfactory control, and that the audit was good, but apparently some of the press have allowed another idea to go out, and a reading of the evidence does not justify the viewpoint as I gather it from the press despatches. The Auditor General, I may say, has only been in office now not much more than a year, and I think he is making every effort to complete his staff and surround himself with good and competent officials. I do think that in the Department of Finance and in the Department of the Auditor General the deputy ministers should have considerably more to say than the Civil Service Commission in the selection of the men who go in to audit and look after the finances of Canada.