

Mr. NEILL: One of the effects of this bill is to remove the firm of George A. Touche & Company from a no doubt profitable contract with the dominion government. If that is the object then I am tickled pink to vote for it. It is a long lane that has no turning. My mind goes back to the spring of 1932 when a special committee was appointed to investigate the price of gasoline, and that committee appointed George A. Touche & Company to make an investigation into prices charged. I was not a member of the committee, but one member in discussing the matter in the house spoke as follows, as reported at page 1645 of Hansard of November 25, 1932. He said:

If two experts had been sent out by the oil companies to justify a higher price for gasoline they could not have found two men who could have done the work better. These men reported that the oil companies were not charging too much. . . . At that time the committee said, "We do not want that sort of information; we want the facts and figures in order to draw our own conclusions." As a matter of fact the auditors brought in their conclusions without the actual figures. After arguing with them for a whole day we did manage to obtain a few figures, and they told us that if we wanted the other information they could figure it out but they did not have it prepared. So far as the committee was concerned the work done by those men was very unsatisfactory, though no doubt it was satisfactory to the oil companies in general.

Because of that job we had to pay \$11,233, and I brought the matter up in the house. The Prime Minister used this language:

I may say that like the hon. gentleman I thought the amount was very large. . . . We did not ask that the account be taxed, because you cannot tax it, but we asked that it be moderated.

Further on I protested again, and the right hon. gentleman said:

No bargain was made antecedent to the employment being given to this firm. They have rendered an account which was referred to me personally and I could find no way by which it could be reduced.

That shows the spirit in which the Prime Minister regarded it, and I thereupon replied:

If that is the case, there is no use in my wasting the time of the committee. At the same time, it is a good thing to uncover these things as they can be remembered the next time we need the services of accountants.

It was also complained that they had brought back a whitewashing report which they had not been asked for. It is said in Scripture that he who is faithful in a few things will be faithful in many, and the con-

[Mr. Heaps.]

verse is true. These men gouged us three years ago and I am pleased to vote for their removal.

Sir EUGENE Fiset: To come back to the discussion of the bill itself, has the government taken steps to consult the trustees or to obtain from them a recommendation with regard to the change of office? It seems to me, in view of the numerous statements that have been made by the minister himself that the government has had nothing to do with the administration of the railways, and as we have taken the trouble to place in the hands of the trustees the complete and absolute administration of the system I think it would have been at least a matter of courtesy for the government to ask for a recommendation from the trustees themselves.

Mr. MANION: The hon. gentleman has asked a proper question, but I do not consider that this or any other government should consult the trustees in this regard because this is an audit for the parliament of Canada. They have their own auditors, and they have nothing whatever to say in regard to these auditors. I will read once more a section of the act passed in 1933 bearing on this subject:

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.

That is section 13, subsection 1, of the act of 1933. These are our auditors, not the trustees', and I do not consider that the trustees should be consulted. Indeed, if we did consult them I think we should be doing wrong, because they have their own auditors.

Sir EUGENE Fiset: The answer to my question is no.

Mr. HANBURY: Who have been acting as auditors since December 31, 1934?

Mr. MANION: The same firm, and they will continue to act, unless they are recreant to their trust, until the others take over; and they will be paid in the ordinary way. I do not think there is any reason for assuming that they will not report.

Mr. EULER: When will the others take over?

Mr. MANION: Not until we pass the bill, I have not thought of the date, but it will be perhaps the middle of next month.

Mr. HANBURY: The statement has been made here this afternoon that we have as yet been given no reason why a change is being