

APPENDIX No. 3

character that further investigation and action are necessary, and they recommend that the said evidence and all documents connected with the matter aforesaid be referred to the Department of Justice with instructions to make investigation into the purchase of all horses by the said Department in every province of Canada, and to institute such prosecutions and take such proceedings as may be found necessary to protect the public interest."

Mr. CARVELL: In other words I follow, in my amendment, the original resolution without change up to a certain point. The reason I am somewhat insistent upon this form of recommendation is that I want to have the burden placed upon the Government to start this investigation, and not wait until somebody else gives them the evidence. I consider there has been sufficient rascality shown in this horse transaction to make it the duty of the Government to investigate this matter on their own motion, and upon the man who is appointed to investigate should rest the burden of finding the evidence and bringing these matters to light. I am not trying to be unpleasant, but I am trying to put this matter, as far as I know how, properly before the House and the country, and I think this is the report that we should make. For myself, if my hon. friend wants to strike out the words New Brunswick and Ontario I would have little objection because there has been very little investigation into the purchase of horses in New Brunswick and Ontario, but as far as the Quebec purchases are concerned I look upon them as reprehensible to a degree.

Mr. RHODES: Not as bad as Nova Scotia.

Mr. CARVELL: Not as bad as Nova Scotia, I admit that, but I would not like to go on record as expunging the Quebec proceedings from the record.

Question put and the amendment lost by 15 to 5.

Motion of Hon. Mr. Reid carried on the same division reversed.

Mr. NICKLE: I move the following resolution:

"That in view of the evidence adduced this Committee draw the attention of the House to the requirement for the inauguration of a system of purchase, inspection and audit that will adequately protect the country from irregularities and frauds."

Mr. CARVELL: I do not think we ought to put this motion without some discussion. When you come to the question of auditing I would suggest that there be some slight change in this resolution, because it casts a reflection on the audit system that is not deserved. The difficulty with the auditing of Canada is the system. The auditor is acting under the Audit Act; he is circumscribed by legislation, and he cannot go beyond the bounds of that legislation. I think the law should be changed in some way to give the Auditor General some real power over these matters and make him an auditor in fact.

Mr. NICKLE: Isn't that the fundamental of the resolution?

Mr. CARVELL: If you will so word it, I will agree.

The CHAIRMAN: That will better the deplorable conditions that have existed for fifty years in this country.

Mr. CARVELL: This rather states that part of the deplorable conditions are due to the Auditor General, when the Auditor General is bound hand and foot.

Mr. NICKLE: I will amend it to read: "And that such legislation be enacted as will accomplish such purposes."

Mr. CARVELL: I want to say that my object in introducing the additional words was that there should be no intimation go from this Committee, not even the suspicion of an intimation that any fault can be found with the present Auditor General and his staff. I think the people of Canada will never be adequately able to repay