

The reference to overpayments in the paragraph on page XVI headed "Motor-vehicle Impressment" was found to be somewhat misleading. The "overpayment" referred to, it is clear, is only overpayment in a purely legal sense, and was not an overpayment in any real sense. Evidence did not support the suggestion in the same section of the "report" that savings would be effected by placing the disposal of vehicles in the hands of the Impressment Officers. The Committee recommends that, as far as possible, in disposing of vehicles, preferential treatment should be given to purchasers whose vehicles had previously been impressed.

The Committee is satisfied from the evidence of the Auditor-General that there was no suggestion of malfeasance intended in any of his comments, and this was supported by the evidence tendered. It was made abundantly clear by the Auditor-General that practically all his comments were aimed at loose book-keeping methods rather than at actual deficiencies.

The Committee places on record its appreciation of the frank and ready manner in which all the witnesses supplied information and gave evidence.

The Committee, affirming the imperative need for a permanent continuous close check on the expenditure of all public funds, feels that the inquiry has served a useful purpose inasmuch as it has—

- (1) Placed in proper perspective the comments of the Auditor-General in their relationship to the facts as disclosed in the evidence; and
- (2) Revealed the gigantic nature of the war requirements of the Dominion and the many new problems which have had to be faced up to and the general success which has been attained. It has also made it clear that in many cases what appeared to be irregularities have been a result of the abnormal conditions pertaining.

An inquiry such as this may also have a beneficial effect in the direction of checking any tendency to carelessness or misconduct on the part of private contractors or others concerned in providing defence requirements.

- (3) After full investigation of the position the Committee recommends that the fullest investigation of the experience and qualifications of all men and women should be made immediately after enrolment by qualified persons with a view to ensuring that the benefit of their experience and ability shall be available in the branch of the Services—particularly in the Stores and Accountancy Branches—where this experience and ability can be most profitably used.
- (4) It is a matter of concern to the Committee that the Controller and Auditor-General has found it necessary to report that, because of the calls of the Armed Forces on the staff of the Audit Department, he is no longer able to carry out the whole of his statutory duties. The Committee realizes that reduction of staff occurring at the same time as a greatly increased rate of expenditure must have presented grave difficulties to the complete performance of audit duties and, being of the opinion that close control by the Audit Office of the expenditure of public moneys must be maintained, recommends that steps be taken as soon as possible to provide the Audit Department with additional officers.

The Committee desires to express its appreciation of the Auditor-General's report, the Auditor-General's high sense of duty, and in particular the manner in which he and his officer assisted the Committee in its examination of the evidence.

J. ROBERTSON, Chairman.

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