

calendar year ending December 31st, 1966, it is estimated that Canada's Gross National Production increased between 10% and 11% over 1965. The increase in the federal Government expenditures for the fiscal year ending March 31st, 1967, is at a slightly higher percentage level than is the Gross National Product. To avoid higher taxes or more inflation it is desirable that the rate of increase of federal expenditures should moderate.

5. Your committee has maintained a continuing interest in the implementation of the Glassco Commission recommendations as to the form and text of the Estimates and on this matter we heard evidence from Dr. George Davidson, the Secretary of the Treasury Board, and Mr. Maxwell Henderson, the Auditor General of Canada. The number of votes in the Estimates is now 243 as compared with 495 in the Estimates of 1962-63, a 50% reduction. As a consequence, the average amount per vote is very much larger than previously and there is less information of the details of expenditures in the Estimates. The Auditor General expressed his concern that in this process some of the parliamentary control over spending was being eroded. Undoubtedly the theme of the Glassco Report is to throw a much greater degree of managerial responsibility upon departmental executives than in the past, and this in turn calls for increased supervision by the Treasury Board. The Auditor General's warning should be heeded and it is to be hoped that the new procedures of the House of Commons will prevent or minimize the danger of such erosion by the greater attention that now is being given by their committees to the individual departments and in turn the Senate's responsibility would seem to require that each year it should continue the practice of having the Secretary of the Treasury Board and the Auditor General appear before the Finance Committee.

6. In past years it has been a matter of great concern to all members of the Senate that Interim Supply bills were sent to the Senate so close to the deadline when the money was required to meet salaries and other essential expenditures that this chamber had insufficient time for adequate consideration of them. The practice of referring the Estimates to the Finance Committee overcomes this objection as there is now a continuing forum for consideration of all estimates throughout the year.

7. However, an unusual occurrence took place during the current fiscal year when Appropriation Act No. 7, 1966, was before Parliament. The previous appropriation acts had furnished the government with sufficient funds for its expenses up to November 1st, 1966 and the new act was to provide further Interim Supply. There was a prolonged debate in the House of Commons and when the deadline date came for the payment of the civil servants' salaries due in mid-November, the Treasury Board on November 9th transferred \$2,160,000 from Vote 15 of the Finance Department, which is a contingency item vote, to those departments which did not have sufficient funds to meet their salary requirements. Your committee heard evidence on this matter from the Minister of National Revenue, the Secretary of the Treasury Board and the Auditor General and without entering into any dispute as to whether the Government or the Opposition were to blame, your committee believes that such use of Vote 15 should be avoided.

8. The affairs of the Canadian Broadcasting Corporation came under the scrutiny of the committee with particular reference to a program called "Sunday", about which members of the Senate had received many complaints. The committee had before it Mr. J. Alphonse Ouimet, President of the Canadian Broadcasting Corporation and he commented that the particular program which provoked the inquiry was a mistake. Your committee believes that to avoid in