

Financial Administration

I would have felt somewhat better about it. The impression which I received, and which I am protesting against, is that this weapon which ought to be, and has always been thought to be, one of the great weapons against inflation is really regarded now as, shall I say, abandoned.

Mr. Sinclair: While I am very anxious to get this bill through, Mr. Chairman, I think an answer should be given to one or two of the points raised by the financial critic for the opposition. As he said, he has raised them before, both on an item which I was handling and directly with the minister when he returned from NATO. So far as this matter of treasury board control over government expenditures is concerned, when this bill was before the public accounts committee we had the deputy minister of finance as well as the secretary of the treasury board before us. They gave us an illuminating explanation of how the estimates were prepared by departments; how they were screened by treasury board with the aid of treasury officials stationed in every department, and of how economies were effected.

It is quite true that last year the minister estimated that there would be a reduction of \$35 million in civilian expenditure over the expenditure of the previous year. Now, that was not easily achieved. Instructions were issued for an over-all reduction of 10 per cent in the number of civil servants in the civilian departments, most noticeably in post office, since that department is the greatest employer of labour. Everyone seems to be strongly in favour of economy in a general way, but when actual economies are effected it seems that members of parliament are the first to protest.

Mr. Macdonnell (Greenwood): I am glad I said that.

Mr. Sinclair: I am glad you did, too, because I want to point out one or two instances. It seems that the Minister of Finance and the treasury board have better success in resisting the desires for extra services of the various departments of government than in resisting the repeated desires of members of parliament.

During this session we have had requests for bigger pensions, for bigger allowances, for more public works, for bigger grain payments. This morning we heard criticism because we were not going to embark upon a further \$500 million plan of United Nations, not for loans but for gifts to underdeveloped nations. The job of the treasury board, of course, is an unpopular job when it comes to the details of resisting these demands for extra expenditures from the public treasury

which, in the end, have got to be met by the individual taxpayer. It is a difficult thing, as conditions are now, to accurately estimate in advance what costs will be. Every business firm in the country has that experience. I am sorry I have not with me at the moment the analysis I prepared of what the provincial treasurers had done in the last year, so far as both their estimates of revenue and their costs are concerned.

It is interesting to note that the provincial treasurers of three or four of our large provinces were very much more in error, if error is the word to be used, in their estimates of revenues than was the federal Minister of Finance. The same is true so far as expenditures are concerned, both in the provincial field and in many municipal fields. These public authorities were just as anxious for economy as are the federal authorities, and have found that increased wages, increased cost of materials, and in some cases shortages, which do add to the cost because of delay in construction, have caused the estimates they made last spring to be exceeded. But I should just like hon. members to remind themselves of the requests which have been made recently in this chamber for added payments from the public treasury and which have been resisted by the minister and by treasury board. As hon. members know, they have been resisted because of the desire for economy and also because there is on the part of many members themselves an inclination to regard the surplus as an invitation for further expenditures on whatever pet projects they may have in their ridings or in their provinces. I think that the record of the treasury board—

Mr. Knowles: It is a case of our projects versus yours.

Mr. Sinclair: As far as treasury board is concerned, their main project is to hold down the cost of running the country. Perhaps I can end on that note.

Mr. Macdonnell (Greenwood): I want to say only one word. The parliamentary assistant has dealt with the question of the estimates which I meticulously avoided, he will remember, except as to the results. I would just say this. When the minister gave some figures—some of them, I must admit, very large figures—of error, I noticed that he did not quote the British precedent. If I remember right,—unless there has been a great change recently—the most recent figures that I have seen suggested that if they got above a 2½ per cent or 3 per cent error they began to worry about it. That figure is not a last year's figure but it is a recent one.

The only other thing I want to say for the comfort of the parliamentary assistant is