

I should start by offering a word of apology for the short notice given when calling this morning's meeting of the committee. The steering committee decided last evening that it was desirable that the committee should meet today, and we agreed to meet at two o'clock so as to have an opportunity to consider the report. Then we discovered that the Standing Committee on Banking and Commerce was meeting at two o'clock to consider the Bank of British Columbia bill. With the co-operation of the chairman of that committee, we managed to work in a committee meeting at 11 o'clock this morning. While a notice of the meeting appeared on the bulletin board when I came in at eight o'clock this morning, and I received mine quite early, I understand that some members of the committee did not receive their notices in time to attend. Nevertheless, there was an excellent attendance at the meeting and the committee did receive the report and considered it for submission to the house this afternoon.

While I intend to proceed with the explanation of the report today in the hope that it will be helpful to honourable senators, the debate can, if necessary, be adjourned so that members may have an opportunity of studying the report and at a later date debate and discuss it at length.

I should also pay tribute to the members of the committee who have participated in the discussions and in the preparation of the report. I mention this particularly in view of the fact that the attendance at the meetings was excellent, even when the Senate was not in session. We received faithful, loyal and competent service in the committee.

This report might be divided into three main divisions. The first is made up of paragraphs numbered 1 to 15, which refer generally to such matters as the form of the estimates, their preparation, and certain remarks dealing with procedures and the character of the estimates. The second division deals with what is called the Glassco Report recommendations, and the third or final division deals with the estimates in general.

Coming now to the first division of the report and beginning at paragraph No. 4, I would call attention to the fact that:

This is the first occasion since 1956 that the Estimates have been referred to a committee of the Senate. Prior to 1956, the Finance Committee under the chairmanship of the Honourable Senator Crerar, and later of Honourable Senator Hawkins, studied the estimates and made reports thereon which were helpful and valuable. In the interval, since 1956, an important development that has taken place is a report, officially known as the

"Report of the Royal Commission on Government Organization" but more commonly called the Glassco Report after the distinguished Chairman of the commission.

Our report deals with this later on.

Then, in connection with the estimates you will see on page 2 a description of how the estimates are prepared and the procedures adopted before they finally reach Parliament. For example, work on this year's estimates started on July 1, 1963, when the departments had to submit to the Treasury Board their plans for expenditures, and establishments, that is, as to the numbers of staff they would need. When these are received by the Treasury Board they are analysed, studied, discussed and if necessary revised. Discussions take place between the deputy ministers of the departments and the Treasury Board, and then the ministers who constitute the Treasury Board meet and deal with the estimates and have further discussions with the ministers of the various departments. The resulting recommendations go to the cabinet which makes a final decision, following which the estimates are printed and placed before Parliament. Generally they are tabled in Parliament on the first day of February preceding the year for which the estimates are provided. In other words the estimates for 1964-65, covering expenditures from April 1, 1964 to March 31, 1965, normally would have been tabled on February 1, 1964. Actually they were tabled on March 3, 1964.

Then on page 2 at paragraph 8 the report goes on to say:

In the light of the time factor involved in this procedure, it is understandable that from time to time during a fiscal year supplementary estimates are prepared and submitted to Parliament to cover expenditures unforeseen at the time of the preparation of the main estimates, or resulting from subsequent legislative action.

In this year we have had three such supplementary estimates, including Supplementary Estimates (C) tabled two days ago. As of November 24, 1964, when this report was prepared, the estimates had not yet been approved by Parliament and therefore no final supply bill has been voted by Parliament for the expenditures for this year.

Because it has been necessary to supply the government with money on account so that it may carry on the business of the country, some five interim supply bills have been passed by Parliament so far this year, providing generally for expenditures for nine months and, in some cases, for ten or eleven months. It