

Financial Administration

experience as assistant deputy minister of finance, gave us a great deal of information on the difficulties of forecasting both revenues and expenditures in some fields of government. I recall him saying that in a purely administrative department such as the Department of the Secretary of State he would expect accuracy in estimating expenditures to as close a margin as at least 5 per cent. He pointed out of course that in such a department if toward the end of the year you found that you were going to exceed your estimate you have control by cutting back. At the same time he pointed out how impossible it was to forecast with any similar degree of accuracy expenditures which entailed future events, future decisions, future emergencies which could not be envisaged at the time. Obviously that is certainly true as far as our defence department is concerned. He pointed out, too, the problem of estimating revenue in times of full employment and inflationary pressures, or in times—and this was the experience of course the other way round during the early thirties—of falling employment when there were deflationary pressures in the country, when estimates of revenue were out in the other way, falling far short of expectations.

It is very interesting to recall at this moment that the budgets of both the United States and the United Kingdom, and for that matter in one other country with which I am familiar, namely Belgium, show exactly the same difference, perhaps not quite to the same degree but to a substantial degree between the estimates of expenditures and what actually has been spent, and the estimates of revenue and what actually has been received. The United States forecast quite a large deficit in the budget for this year. Actually I think they are running up about a \$7 billion surplus at the moment. The British had a similar experience.

Mr. MacInnis: About the only way you can strike a balance is by estimating for a deficit.

Mr. Sinclair: That is along the lines the hon. member for Greenwood suggested. The one point the leader of the opposition raised which I do question very much is this. He said the minister had no authority to raise such sums. The actual authority given the minister is not to raise any sum, because the expenditures to be met are only an estimate. The authority is given to impose tax rates. It is quite true that tax rates are based on the estimate of what expenditures of the country are to be; but there is no question of the authority given by this parliament to the minister to impose those taxes.

The hon. member's comments on crown corporations were very interesting. Perhaps

I touched on them slightly when I was dealing with the remarks of the hon. member for Greenwood. It is quite true that as far as crown corporations are concerned, such as that which controls Chalk River, there is an element of secrecy. On the other hand there is also a measure of—perhaps that is not the word—confidence in the operations of a company like the Canadian National Railways which is in daily competition with the Canadian Pacific Railway. The officials of this company have always felt that to allow their competitors to have full knowledge of all their working conditions and costs when they at the same time cannot receive similar information from the management of the Canadian Pacific Railway would be putting them at a disadvantage. That is one reason, of course, all crown corporations are not given the same treatment. But what this bill does do for the first time is to make all crown corporations now responsible through the appropriate minister to parliament for the tabling of their annual reports and their budgets. As you know, in the past these propriety corporations did not need to report to parliament. Just as long as they were not running in the hole they could go on for years and years without ever coming under parliamentary scrutiny. Polymer again is an example, because it has been a successful corporation. It is only those corporations that do not pile up a surplus but must come back to parliament each year to get either grants or loans of money to make up their deficits that have been subject to annual parliamentary scrutiny. I think most hon. members would like to have a good look at operations of the successful corporations as well as at the unsuccessful corporations, and in that regard I think this bill represents a real step forward. It is perhaps in this feature that this bill is so different from the bill put through the house by Prime Minister Bennett in 1931, because at that time they did not have the problem of what we today refer to as crown corporations. It is true they had the Canadian National Railways, but at that time nobody referred to the Canadian National Railways as a crown corporation.

The last point that I should like to refer to is the reference to rushing. It has never been the intention to have this bill rushed through. We would like every hon. member to have all the answers he wishes to every clause of this bill. When the minister introduced this resolution for the first time last summer he said that the services of every officer of our department who could be of any help to any individual member of the committee to understand the background of any of these clauses were readily available.