

APPENDIX "B"

THE ESTIMATES

REPORT OF STANDING COMMITTEE ON FINANCE

(Presented by Hon. Mr. Leonard. See p. 1114.)

Wednesday, November 25th, 1964.

The Standing Committee on Finance to which was referred the Estimates laid before Parliament for the Fiscal year ending March 31, 1965, report as follows:—

1. On May 20th 1964 the following order of reference was adopted by the Senate:

That the Standing Committee on Finance be authorized to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1965, in advance of the Bills based on the said Estimates reaching the Senate; and that the said Committee be empowered to send for persons, papers and records.

2. In obedience to the foregoing, the Committee held a meeting for organization on May 21, 1964. The Honourable Senator Molson was elected vice-chairman and a Steering Committee was appointed consisting of the Honourable Senators Flynn, Haig, Smith (Queens-Shelburne) and the chairman and vice-chairman.

3. Subsequently the committee held 11 meetings and heard evidence from senior officials of the Treasury Board, from the Comptroller of the Treasury, the Auditor-General and the Deputy Minister of Finance.

4. 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. Under that shorter title it is designated in this report.

5. The Glassco Report dealt with many matters other than the Government Estimates, but as your committee is concerned only with the Estimates, it is that aspect of the Glassco Report that has demanded our attention.

In dealing with the Glassco recommendations, it is desirable to re-state the place and importance of the Estimates in our Parliamentary system of government, and the methods and procedures whereby they are currently prepared, presented and approved.

6. The control by Parliament of the spending by the Executive has its roots deep in our constitutional history, going back in England as far as the days of the Long Parliament. In Canada, it was embodied in our Act of Union, and in the British North America Act. The Executive alone can initiate measures imposing charges upon the public exchequer, and in order to do so it must table in Parliament its Estimates of Expenditures. In the case of its Main Estimates, these are tabled on or about the commencement of the fiscal year to which they apply, so that Parliament may have early and ample opportunity to deal with the spending program for the new year. They are usually tabled on or about February 1st each year.

7. Many months of preparation, however, have preceded the tabling. About the first day of July 1963 the Treasury Board requested the various departments of government to submit to it their establishment plans (that is to say, the expected numbers of staff members) and their expenditure requests, setting a deadline of November 1st, 1963, for such submission. Then during the months of November and December 1963 these submissions were studied, analyzed and, if necessary, revised by the Treasury Board and its staff. Discussion, argument and negotiation take place vigorously between all levels of Treasury Board staff and departmental staff during this period. The Ministers who are members of the Board met in December 1963 and conducted an intensive review of the estimates. It is at this stage that the various Departmental Ministers appear before the Treasury Board as suppliants for their particular areas of responsibility. The results were then recommended by Treasury Board to the Cabinet. The final decision on the Estimates was made by the Cabinet and thereafter the Estimates were printed and placed before Parliament.

8. In the light of the time factor involved in this procedure, it is understandable that