

## The Form and Use of Royal Recommendations

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### Preamble

For many years, in its examinations of the annual spending Estimates, the Standing Senate Committee on National Finance has noted the ever-increasing proportion that the statutory component has come to play in government expenditures. For example, in its Interim Report on the 1989-90 Estimates, the Committee noted that, from 1983-84 to 1988-89, statutory expenditures had risen from 59 per cent to 67 per cent of total annual expenditures.<sup>1</sup> This led the Committee to comment that the increasing importance of these statutory items was making it difficult for the government to reduce its annual deficit within the current revenue and expenditure framework.<sup>2</sup>

Statutory expenditure items are included in the Estimates for information only. They come about as the result of Acts authorizing the government to draw on public revenues without any further parliamentary approval. Examples of such already approved legislation include the Acts that authorize the payment of fiscal transfers to the provinces, the payment of family allowances and the payment of judges' salaries.

When a bill that authorizes statutory expenditure is introduced in the House of Commons it is accompanied by an all-purpose, standard recommendation from the Governor General stating that His/Her Excellency recommends the appropriation(s) sought by the bill. After first reading -- well before such bills come to the Senate -- this message is removed from the bill. Consequently, Senators are not informed about the potential impact that bills they are asked to approve will have on the government's financial position.

In the 33rd Parliament a number of bills with which this Committee was asked to deal had a royal recommendation at first reading in the House of Commons. However, government officials who appeared as witnesses before the Committee were unable to point out the clauses in the bills that would authorize draws on public revenues and that consequently would have an impact on future statutory expenditure. The members of the Committee felt strongly that if appropriations were in fact being sought by the bills, not only