

APPENDIX

(See p. 1687)

THE ESTIMATES

REPORT OF STANDING SENATE COMMITTEE ON NATIONAL FINANCE
PRESENTED BY HON. T. D'ARCY LEONARD

Ottawa, June 24, 1969

The Standing Senate Committee on National Finance to which was referred the Estimates laid before Parliament for the fiscal year ending March 31st, 1970, has in obedience to the order of reference of February 12th, 1969, examined the said Estimates and now reports, as follows:

1. The Standing Senate Committee on National Finance was authorized in the Minutes of the Proceedings of the Senate, February 12th, 1969, "to examine and report upon the expenditures proposed by the Estimates laid before Parliament for the fiscal year ending 31st March, 1970, in advance of Bills based upon the said Estimates reaching the Senate."

2. In obedience to the foregoing, your Senate Committee held seven proceedings on the Estimates, and heard evidence from Professor E. P. Neufeld of the University of Toronto, Professor C. L. Forget of the University of Montreal, Dr. A. J. R. Smith, Chairman of the Economic Council of Canada, Dr. S. Cloutier, Assistant Secretary of the Treasury Board, Mr. R. B. Bryce, Deputy Minister of Finance, Dr. G. F. Davidson, President, Canadian Broadcasting Corporation, and others, all of whom made extremely able and knowledgeable contribution to the Committee. The Committee has examined the said Estimates and submits the following report thereon.

3. The Senate Committee on National Finance has followed the same procedure as in previous years of considering the Estimates in general, rather than embarking upon a detailed study of departments. Such a detailed study would involve a duplication of effort because various Committees of the House of Commons carry out such studies. However, the general study of the Estimates by your Committee is supplemented by an examination of particular votes in those departments where Committee members so

desire, and during the current fiscal year such an investigation was made with respect to the Canadian Broadcasting Corporation. The members of this Committee have become concerned with the escalation in recent years in Government loans and other forms of capital assistance to certain Crown Corporations. As the C.B.C. has been, and is expected to continue to be one of the main recipients of such assistance, the Committee was particularly interested in having it represented at one of the meetings. Dr. G. F. Davidson appeared before the Committee to discuss the requirements of the Corporation as approved by the Treasury Board and presented to the House by the Government for the year 1969-70. The requirement was \$166 million as compared to \$151 million in 1968-69, and this was supplemented by a loan requirement of \$30 million as compared to \$25 million in 1968-69. The Senate Committee on National Finance views with great concern the rate of growth of operating and capital cost requirements of this Crown Corporation, and the projected escalation in their capital loan requirements for consolidation of facilities in Montreal, Toronto, Vancouver, Winnipeg and Halifax. The Committee's view expressed in a later section of this report, pertaining to the great need to establish priorities in government spending policy, and criteria to assure maximum economic and social benefits in government programmes, particularly apply to the operations of the C.B.C.

4. The Senate Committee on National Finance in its evaluation of the impact of the said Estimates on the economy, gave special consideration to the following areas:

(a) The impact of the Estimates on the short-term cyclical, economic environment, and the consequences for monetary and fiscal policy in attaining the economic goals of full employment and price stability, given regional economic disparity and the presence of cost-push inflation. Professor Neufeld, Dr. Smith, and Mr.