

obsolescence, new products and other potential developments. The use of such a forecast does not involve a decision to agree with projected expenditures but its value would lie in preventing decisions being made currently that would not take into account the future consequence of that decision by itself, and also in the context of its relative effect on overall operations.

(e) That departments and agencies be given the necessary financial authority and be held accountable for the effective management of the financial resources placed at their disposal.

This is probably the most significant of all the recommendations made by the Glassco Commission. In essence, it is a de-centralization of financial responsibility. The theory supporting it is that by making a department itself responsible for its financial expenditure, it will exercise that responsibility more effectively and economically than if some outside body is, as the report puts it, "likened to a policeman patrolling the departments to ensure financial rectitude".

Your committee desires to sound a word of caution in connection with this recommendation. The change, of itself, will not automatically bring about the desired improvement. Its success will depend upon how the key personnel in the civil service respond to the challenge involved in this delegation of greater responsibility to them, and assume the higher degree of accountability for the efficient and economical financial management of departmental affairs. In each department there must be a fully qualified and competent financial administrator under the deputy minister. In this connection your committee has noted with approval that a course for training such personnel has now been set up in the Civil Service. It is to be hoped, but it still remains to be seen, that skilled and competent internal financial management within departments will bring about greater efficiency and savings.

(f) That the cost of major common services be charged to user departments.

At present in many instances free services are provided to various departments of government, among which might be mentioned accommodations, furniture, power, franked mail, superannuation and other employee benefits. Your Committee agrees with the principle of this recommendation and, so long as its implementation does not superimpose an elaborate or expensive system, it is desirable that the costs of such services should be charged to the user department of them.

(g) That where appropriate, revenues be offset against related expenditure, and that votes be shown in the Estimates and controlled on a net basis.

As the Glassco Report states, it is normal in industrial budgeting to relate revenues and costs. In government those revenues derived from services rendered are generally only incidental. Your committee agrees in principle with this recommendation of the Glassco Report and we have noted that the officials of the Treasury Board are studying the practical problems it presents for the purpose of seeing how far the desired result can be achieved.

19. It is not our function in this Report to deal with recommendations of the Glassco Commission other than those relating to the Estimates. We have said enough to indicate our approval in general of the relevant ones. We emphasize, however, that decisions to spend are in the first instance decisions of government policy and that even Parliament's control over such decisions must be viewed in the light of our system of responsible government. Therefore, the total amount of the Estimates and the objects thereof are the primary responsibility of the government of the day and, once those decisions have been made, the most that management can do, and in practice Parliamentary scrutiny also, is to see that the expenditures are made as efficiently and as economically as possible, and without waste, extravagance or duplicates.

20. In addition to its studies of the Glassco recommendations, your Committee inquired into a number of matters concerning the Estimates in general