

17. The Glassco Report made this general statement, at page 94, of Volume I of the abridged Edition:—

“The conclusion is inescapable that the present procedures in developing and reviewing the Estimates are wasteful and inefficient. The form of the Estimates does not permit intelligent criticism and, in placing the major emphasis on the nature of expenditure rather than on its real purpose, the matters coming under senior review are the less important details of administrative judgment. Any valid assessment of performance by departmental management is excluded and it is virtually impossible to form any objective judgment from the Estimates as to the desirability of continuing, modifying or enlarging specific programmes in the public interest.”

18. Your Committee concurs in general with this analysis. Certain specific recommendations are then made in the Glassco Report and some of the major ones with our comments thereon are as follows:—

(a) That the number of votes be reduced and all cost elements of individual programmes be consolidated within the same vote.

Departmental estimates are broken down into subdivisions classified as “Votes” for the convenience of parliamentary decision. This recommendation has been accepted by the government and largely applied in the 1964-1965 estimates. In 1961-62, the Main Estimates included 495 votes, over three times the number currently used in the United Kingdom. The 495 votes have been reduced to approximately 240 in the current estimates and no doubt there can be a further reduction.

(b) That departmental estimates should be prepared on the basis of programmes of activity and not by standard objects of expenditure.

Your committee agrees that the *primary* emphasis in the estimates should be on the “programme” rather than on the standard objects of expenditures. The significance of an expenditure must be related to the purpose for which it is being incurred. Departments should justify their estimates by relating them directly to the programme that occasions them and, in turn, justify the programme as being worth the amount expended upon it, not only on its own account but also in competition with other needs for which money is required. This change, however, should not take place at the expense of omitting relevant details such as are contained in the standard objects of expenditures.

(c) That the establishment review should be part of the overall review process of expenditures.

In essence, this means that the determination of the number of staff required in a department should be part and parcel of the determination of the cost of the various programmes of the department. The logic of this proposition is self-evident and it has been accepted by the government and is endorsed by your committee.

(d) That all departments and agencies should be required to prepare and submit to the executive long-term plans of expenditure requirements by programmes, and that based thereon an overall forecast of government expenditures and prospective resources for a period of five years ahead should be prepared annually.

At present government budgeting and accounting are on a year to year basis. This is necessarily so, because Parliament should and does annually exercise its control and review of a government’s administration. Nevertheless, a government should be aware of its probable longer term financial requirements. Increases in population alone will make greater demands upon many branches of government service. Most businesses now must project their budgets ahead for five years or more to be ready to meet changing conditions,