

ESTIMATES AND THEIR PREPARATION

About this time each year, the Department has to turn its mind to the problem of how much money it will need to carry on its business for a twelve-month period beginning some six months hence on April 1 of the new year.

In other words, we have to estimate what it will cost us to do what we should be doing eighteen months ahead not only in Ottawa but in thirty-four different countries scattered over the globe where the costs of supplies and services are wobbling uncomfortably and where movements in exchange rates and revaluations of currencies can nullify estimates over-night.

The best, therefore, that we can hope to come up with is a "guestimate". But we strive to make it as informed a guess as possible; for, as taxpayers, too, we are anxious to be assessed on the basis of estimates which will bear the closest possible resemblance to proper expenditures.

Before considering the preparation of the estimates, it might be well to say something about the manner in which they are set up and the various restrictions which are inherent in the form in which they are approved. It is important to remember that Parliament does not approve a lump sum of money for running the country's external business and then leave it to the Department to apportion it among the various services as it sees fit. It ties strings around parcels of the money to ensure that each parcel is used for a specific purpose. For example, Parliament approved (as it did in June of this year) not \$11,701,395 for running the Department and paying Canada's contribution to certain international bodies, but \$2,272,597 for running the Department at home; \$4,492,816 for running the Department abroad; \$225,000 for Canadian Representation at International Conferences; \$15,000 to assist distressed Canadians abroad, and so on through thirty-seven absolutely separate packages of money known as Votes — each Vote representing an activity of the Department, the subject of which lends itself to separate consideration. And money may not be moved from one Vote to another without the approval of Parliament.

For this reason if for no other, it would be necessary to estimate by Votes.

Primary Allotments

Parliament may, therefore, be said to exercise control of the total amount voted for each Department down as far as the Votes. Parliament, of course, could not make a very intelligent assessment of the Votes if they had before them for consideration only the bare totals of the Vote. To meet the need for further information, the printed Estimates show each Vote broken down into the main headings — known as Primary Allotments — under which money will be spent. For example, the Vote for operating the Department abroad is made up of fifteen Primary Allotments, examples of which are, Salaries; Travelling and Removal Expenses; Telephones, Telegrams and other Communications Services; Rental of Buildings; and Repairs to Property.

These Primary Allotments not only show Parliament how the total of a Vote is arrived at; they are also the instruments by which a further control is exercised upon Departmental spendings. The Primary Allotments are approved by the Treasury Board, a Committee of the Cabinet; and money may not be moved from one Primary Allotment to another without their approval — and then only if surplus money which may be borrowed exists in one of the other Primary Allotments in the same Vote. For it must be remembered that the total amount of the Vote itself may not be exceeded without the approval of Parliament.

For this reason then, if for no other, it would be necessary to estimate not only by Votes but also by Primary Allotments within the Votes.