

ciples which the royal commission had set out, to see whether we could devise a system along the lines which the royal commission recommended.

That is the point at which we now are. For the last three months we have been carrying forward a program which will involve doing a detailed study, a pilot type of thing, for four government departments taken from the civil area, but this will take six months to complete, plus another six months in which to evaluate the evidence.

One of the main purposes of this study is to establish teams of senior people, from the staff of the treasury board and from other groups within the public service, who can contribute to this, including the comptroller of the treasury whose own operations would possibly be affected by the findings. These teams will do a study within each of the departments, to enable those departments to decide on what type of financial control would best achieve the objectives for carrying out the operations within that department by in fact modifying, for example, the system of accounting control. They would concern themselves with such things as the performance and objective type of financial report structure which these departments require better to handle their affairs; what reports should be available to the senior managers in the department and what type of report will continue to be necessary in order to carry out the existing legal responsibilities of the comptroller of the treasury in the area of pre-audit, cash control, and cheque issue.

These are all problems which are going to have to be looked at very carefully. I have gone into this detail to indicate we came to the view, before we could recommend sensibly to the public accounts committee rather significant changes in the form of the estimates, perhaps changing in a fundamental way the manner in which we present estimates to parliament; that these would be consistent with the type of financial control we are working toward in order to give greater authority and responsibility to departments in this field. Short of that and coming directly to the recommendations which we made that the committee might look at immediately we thought that clearly there was one thing that both the house and the departments of government would welcome at this time, namely a drastic reduction in the number of actual vote headings under which parliament considers the annual expenditure program.

In looking at the Canadian situation, by any test, we have, I think, by far the most detailed system of vote headings that any country of comparable magnitude has, certainly far more than you find in the United Kingdom estimates and a number which is almost equivalent to the United States budgetary estimates, which are vastly greater in number and complexity. It seemed to us the time was long past when this should continue and that what we could do would be to recommend for the committee's consideration a substantial reduction in the number of headings of the actual votes while preserving in the detailed section the same amount of information which the members of the house now have.

This would mean that whereas you might have, for instance, in the Department of Agriculture, 25 votes—and I am choosing this number very arbitrarily—you might be able to consolidate these into five major headings which would describe broader areas within the department, which would give you a better feeling in respect of the whole of say the production and marketing branches of the department or the research activities and still achieve the same purpose from the point of view of the house understanding what the money is for. There is a great advantage in this from the department's point of view. It would provide them with broader vote authorities from parliament within which they could plan their operations and move in the direction of the type of financial control we are studying now. It is really the substance of that which we are embodying in this paper and which we indicated to you in September.