

- (b) This Committee recognizes the need for more detailed information in order to enable Members to better consider the expenditures proposed in the Estimates for a particular year. With this in mind, your Committee recommends that at the end of each fiscal year the departments be required to present to Parliament a statement, on a quarterly basis, of actual expenditures and encumbered funds, together with the unexpended amounts, under each of the Votes relating to that Department. Members then could compare the expenditures of the previous year with those proposed in the Estimates. Where an Item includes a number of large expenditures, it is desirable that these large amounts be further explained in detail.
- (c) Realizing the desirability of having an Annual Report from the Department, your Committee recommends that in future every effort be made to publish such a report.
- (d) This Committee suggests that the Department should more carefully assess the quantity and specifications of items requisitioned, in order to avoid over-stocking.

9. Summary

It will be noted that the Committee has not made a specific recommendation to reduce any Vote but has rather offered a number of general recommendations. Notwithstanding this, the Committee is of the opinion that if the suggestions contained herein are followed, actual savings and improvement in the efficiency and the operation of the Department will be effected.

The Committee is satisfied that the Department and the Treasury Board have made a thorough examination of these Estimates in an attempt to economize where possible. In this respect, it is perhaps important to point out that a number of reductions in certain categories of technical equipment are shown in the Estimates for the current year. While it is not the responsibility of this Committee to comment on future Estimates, it is perhaps significant to note from statements contained in the evidence that substantial new expenditures may be anticipated in the coming year. Examples of this are to be found in the decision to replace certain military equipment, improvements in the radar detection system, and for the possible extension of the CF-105 program.

II. DEPARTMENT OF DEFENCE PRODUCTION

With respect to the Estimates of the Department of Defence Production, your Committee makes the following observations and recommendations:

1. Destroyer Escort Program

- (a) The Committee was disturbed at some of the features surrounding the destroyer escort program in relation to the methods of establishing cost and the accounting procedure adopted by the Department. Particular concern was expressed over the delay in obtaining final costs of ships of the destroyer escort class. It was apparent from the evidence that final invoices have not yet been received—in some cases three years after a ship's completion; consequently, total expenditure for each unit was not available. It is therefore recommended that a complete study should be made of the naval vessel