

which number was over three times that currently used in the United Kingdom. In the current estimates for 1964-65 those votes have been reduced to approximately 240 in number, and no doubt there can be a further reduction.

The second recommendation of the Glassco Commission considered by the committee is:

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

Your committee's comment on that is that it agrees that the primary emphasis in the estimates should be on the "program" rather than on the standard objects of expenditures. The report continues:

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 program that occasions them and, in turn, justify the program 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.

The next recommendation is:

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

Your committee says that the logic of this proposition is self-evident.

The next recommendation is:

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

Without reading it all, the report says in the last sentence of the next paragraph:

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.

Then we come to the most significant of the Glassco Commission's recommendations in respect of the estimates, namely:

(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.

In essence, this means decentralization of financial responsibility.

The report continues:

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.

It should be made clear, perhaps, that such extension of authority within the department refers only to expenditures authorized by Parliament. Indeed, the change may well require even greater vigilance and a more careful scrutiny of public expenditures by the executive and by Parliament.

The next recommendation of the Glassco Commission is:

That the costs of major common services be charged to user departments.

The committee's comment on this is:

At present in many instances free services are provided to various departments of government, among which might be mentioned accommodation, 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