

THE CANADIAN COMMITTEE ON ESTIMATES

by

Sant Parkash Singh

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Department of Economics and Political Science,
McGill University,
Montreal.

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PREFACE

Back in 1868 the total budget of the Dominion of Canada was only \$7.6 million and by the year 1874-75 it had risen only to \$42 million.¹ By 1955 however, the budget had increased to nearly \$5 billion; in other words 650 times more than 1868. But the Parliamentary machinery for dealing with the estimates in 1955 was practically the same as that in 1870. The inadequate methods of dealing with the estimates had become obvious and the complaints more frequent. Finally, on Feb. 8, 1955, the House of Commons approved a resolution establishing for the first time in Canada a Special Committee on Estimates to consider any estimates referred to it by the House. The sole purpose of this Committee is to strengthen Parliamentary control over finance. During the first three years of its existence, this Committee was endowed with only limited power, which hampered its work considerably. In 1958 it was replaced by the Standing Committee on Estimates and was given all the usual powers enjoyed by other Standing Committees of the House. It is argued that this Committee could occupy an important position in the Parliamentary structure of Canada, but it must undergo some reform adapting its procedure more closely to that of the Select Committee on the Estimates in the United Kingdom. This study is primarily concerned with the evolution, powers, procedures, functions, and the effectiveness of the Canadian Committee on Estimates. The purpose of the first chapter, "Financial Administration in Canada", is to point out the place this

1. Canada, House of Commons Debates, 1956, p.1643.

Committee occupies in the overall framework of the financial administration in Canada. Throughout this study a special reference has been made to the British Committee on Estimates in order to compare and contrast the fundamental features of the two Committees.

It is only fitting that I extend my most sincere thanks to Professor J.R. Mallory, the Head of the Department of Economics and Political Science, McGill University, for reading the draft of this work and for his overall direction. I am also greatly indebted to the Honourable Donald M. Fleming, the Minister of Finance, for answering questions and for sending me a copy of the letter which he received from a member of the House of Commons at Westminster. I wish also to thank Mr. Arthur Smith, the Chairman of the Estimates Committee, and Mr. A. Plouffe, the Chief Clerk of the Committees in the House of Commons, for the valuable assistance given to me in completing this work.

CHAPTER I

FINANCIAL ADMINISTRATION IN CANADA

"Finance is not mere arithmetic: finance is a great policy. Without sound finance no sound government is possible: without sound government no sound finance is possible."¹ W. Wilson

Finance and administration are not merely interwoven, but finance is an integral part of administration itself. In the words of Durell, "the administrator is always working with both factors, he is cutting a coat according to his cloth, and the quantity of cloth is just as vital a factor as the pattern of the future coat in his mind".² Canada's financial administration, like that of Great Britain, is based on a budgetary rather than a non-budgetary system. The distinction between these two systems has been described by Villard and Willoughby in the following words:

"The idea underlying the conception of a budgetary system as opposed to a non-budgetary system, is that, in the former, the effort is made by those who are responsible for initiating financial measures to consider both sides of the national accounts at one and the same time, or at least in their relation to each other, and to place them before the legislative branch when appropriations are requested; while, in the latter, no such attempt is made. It is of the essence of the budgetary system that the fund-raising and fund-granting authority shall be presented with a balanced statement of estimated receipts and expenditure to the end that it may see whether there is a prospective deficit to be provided for, or a surplus which may be applied in the way of reduction of national debt or for some other purpose."³

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1. Quoted from Durell's The Principles and Practices of the System of Control over Parliamentary Grants. London, 1917, p.4.
 2. Ibid.
 3. Villard and Willoughby, The Canadian Budgetary System. London, 1918, p.1.

The balancing of receipts and payments and the co-ordination of various estimates is, however, one of the many principles of the financial administration. In concluding their book, Financial Administration of Great Britain, Willoughby, Willoughby and Lindsay have outlined the essential features of the British budgetary system, which involves the adoption of the following principles:-

- (1) The budget system involves a definite acceptance of the principle that all the financial needs of the government for a period of one year shall be considered at one time according to a well defined plan, so that the Cabinet, Parliament and nation on the whole will know what the present position is and what it is likely to be in future.
- (2) It is the responsibility of the Executive to prepare and submit this plan to Parliament with all the required information.
- (3) The Executive is subject to the control of Parliament for the grant it receives. It must, therefore, submit for a critical examination of Parliament a full report of its past operations and the proposals for its future operations.
- (4) Although Parliament is to be given full opportunity to criticize all the financial transactions of the government, it is the responsibility of the Executive to accept or reject any change made in the initial proposals, as a result of discussion in Parliament.
- (5) No sum of money can be expended without the final approval of Parliament. After the approval the Executive must render a rigid accounting to Parliament with respect to the manner in which the authorization granted was carried out.
- (6) The acceptance of the principle of a Parliamentary audit of

receipts in order to exercise a rigid control over the manner in which the funds are spent. This involves the establishment of specialized agencies such as the Comptroller and Auditor General and the Public Accounts Committee.

(7) The report of the Auditor General shall be made available to all the members of Parliament and to the Public Accounts Committee for a critical examination.

(8) The Treasury shall act as an agent of Parliament, in order to exercise an immediate and direct control over the preparation of the estimates and the expenditure of all funds.

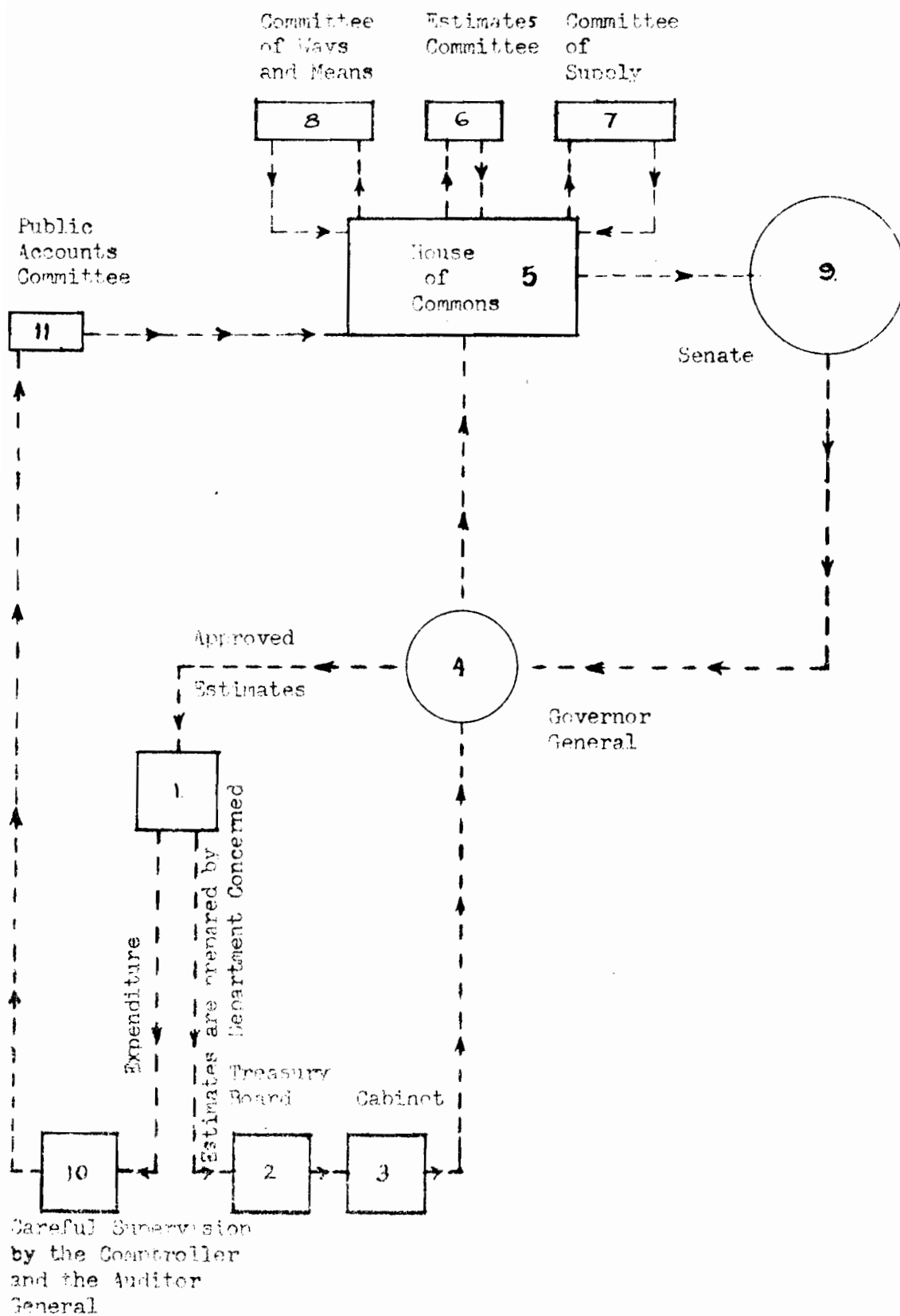
(9) While making appropriations, the Executive shall make a distinction between the appropriation heads, appropriation sub-heads, and other supporting details.

(10) And finally, the acceptance of the principle that the expenditure of appropriations is not mandatory. It is a mere grant to the executive for which it is held responsible to Parliament.¹

These are the essential features of the British system of financial administration and there is no fundamental difference so far as Canada is concerned, with regard to these principles. In order to put these principles into practice, it requires the establishment of a complicated network of specialized agencies. Some of these agencies are - the Committee of Supply, the Committee of Ways and Means, the Estimates Committee, the Treasury Board, the Auditor General, and the Public Accounts Committee. The system of financial administration in Canada can best be stated by describing the functions of these agencies in relation to the fundamental principles stated above.

1. Willoughby, Willoughby and Lindsay, The Financial Administration of Great Britain. London, 1917, pp.271-76.

THE FINANCIAL ADMINISTRATION IN CANADA



The preparation of estimates may well be taken as a starting point in the system of financial administration in Canada. Section 54 of the British North America Act provides that every appropriation of public moneys by the House of Commons must be based upon the recommendation of the Governor General. In other words, it is the responsibility of the Executive to prepare the estimates. While preparing the estimates, the usual necessary routine is followed of requiring the heads of each department to submit to the Minister of Finance all the financial requirements of the coming year of his service. In addition to that, the Minister of Finance sends an informal intimation of the general attitude which the cabinet is going to adopt with regards to the projected expenditure. The purpose of this intimation is to ascertain that "the amount of cloth from which the coats are to be cut will vaguely, but none the less surely be known in advance".¹

Within the department itself the officials at various levels accordingly make their plans for the future and draw up a draft of all the expenditures involved. These plans are at first submitted to the Deputy Ministers of the respective departments, who carefully scrutinize various departmental activities. The Deputy Minister might send some items back for reconsideration, particularly those items which are inconsistent with the policy of the government. After this, these revised proposals are sent to the minister in charge, who might insist on some alterations being incorporated in it. Finally these estimates are submitted to the staff of the Treasury Board and from there to the

1. Dawson, The Government of Canada, p.423.

Board itself. As to the nature of these submissions, Mr. G.W. Stead writes:

"These submissions are received in the form of books of multilithed material which explain in considerable detail, for analysis by the staff and the information of the Board, the functions performed under the various votes and the reasons for proposed changes in function or scale. Explanations are also supplied with respect to the various categories of cost which are involved in the program described. These books supply the information necessary to enable the staff of the Board to detect issues of substance implicit in the program of each department."¹

The Treasury Board is the Committee of Privy Council, which was first established by order-in-council P.C.3 of July 2, 1867. The powers and the Constitution of the Treasury Board are now governed by the Financial Administration Act, 1951.² The Minister of Finance is the Chairman of the Board, which consists of five other Ministers or their alternates. The Financial Administration Act provides that:

- (1) "The Treasury Board shall act as a Committee of the Queen's Privy Council for Canada on all matters relating to finance, revenues, estimates, expenditures, and financial commitments, accounts, establishments, the terms and conditions of employment of persons in the public service, and general administrative policy in the public service referred to the Board by the Governor in Council or on which the Board considers it desirable to report to the Governor in Council, or on which the Board considers it necessary to act under powers conferred by this or any other Act.
- (11) The Governor in Council may authorize the Treasury Board to exercise all or any of the powers, other than the powers of appointment, of the Governor in Council under the Civil Service Act, the Civil

1. G.W. Stead, "The Treasury Board of Canada", Information Division, Department of External Affairs, Ottawa, 1955, p.7

2. Rev. Stat. Can. 1952. Ch. 116. Sec.5.

Service Superannuation Act, the Defence Services Pension Act, and Parts 11 to V1 of the Royal Canadian Mounted Police Act."¹

In addition to these important powers which are vested in the Treasury Board, its merit in consideration of the estimates lies in the fact that it is small in size, and is composed of the members who are generally well acquainted with the financial matters of the government.

In order to consider the estimates, the Treasury Board holds a heavy schedule of meetings during most of December. It is customary for the minister in charge, whose estimates are being considered, to attend these meetings along with two or three of his officials, in order to explain and, if necessary, to defend his proposals.² These meetings are conducted in a very informal atmosphere so that the important questions of that time are given full attention. Throughout these proceedings the chief concern of the Minister of Finance, as the Chairman, is to rationalize the requirements of the various departments so that they may fit into the budgetary picture as a whole.³ In case of disagreement between a department and the Treasury Board, the final decision rests with the Cabinet.⁴ In fact such disagreements are quite frequent. But the struggle between the Treasury Board and the minister concerned can be best described in the words of the Finance Minister, Mr. J.L. Ilsley, who said:

1. Rev. Stat. Can. 1952. Ch. 116. Sec.5 (1) (11).

2. G.W. Stead, "The Treasury Board of Canada", p.7.

3. Ibid.

4. Rev. Stat. Can. 1952. Ch. 116. Sec.5 (IV).

"I shall be frank again today The staff of the Treasury Board, without reference to the Minister in the first place, go at those estimates and try to have them reduced. They are successful to a considerable extent in having them reduced. But various departments demur, and some go even farther than that and vigorously and violently protest against the proposed cuts. The matter is then taken up by myself with the various Ministers and by the Treasury Board with the various Ministers, and after a considerable amount of argument the estimates are still further reduced until they reach the form in which they appear before the House of Commons We talk about putting watch on expenditures, but how much assistance do we get in this House in watching expenditures? Nine-tenths of speeches in this House are asking for bigger and better expenditures At times I feel as though I am against the whole world when I try to keep a lot of expenditure down. We just do the best we can, that is all, and keep them down."¹

When the Treasury Board is satisfied, it submits these estimates to the Cabinet for its final approval. And once the nature of estimates have been determined by the Cabinet as a whole, they are recommended to the Governor General for his approval, which is given as a matter of course. They are then laid before the House of Commons in the form of recommendations from the Governor General.

The next fundamental principle of financial administration in Canada, as in Great Britain, is the supremacy of the House of Commons over the granting of the supply. In the words of Sir T. Erskine May: "It is indeed ultimately to the power of purse, to its power to bring the whole Executive machinery of the country to a standstill, that the House of Commons owes its control over the Executive. That is the fountain and origin of its historical victories over the other organs

1. Canada, House of Commons Debates, 1945. p.3734-35.

of the State".¹ Anyway, the House of Commons has never taken this drastic step of refusing supplies requested by the Executive. And perhaps that is why Durell describes this principle as "a Sword of Democles of which the blade is eaten away with rust, it remains suspended in the armoury of the constitution - an object of historical and picturesque interest alone."²

However, it is the Committee of Supply through which the House of Commons makes its control effective over the administration of finance. The standing orders of the House of Commons require that immediately after the conclusion of debate on the address, the Committee of Supply and the Committee of Ways and Means shall be constituted.³ Both these committees are kept alive by an order so that they may meet at the next sitting of the House. The special function of the Committee of Supply is to provide an opportunity for Parliamentary scrutiny of the estimates. Although the Committee of Supply is not an adequate body for that purpose, nevertheless, it is this Committee that affords the only opportunity in the course of the year to debate grievances and many other questions of policy.⁴ The procedure within the Committee of Supply is designed to be more flexible in order to give full opportunity for discussion. It is presided over by a chairman instead of the speaker. The proceedings are conducted in a less formal manner and the rules of procedure are less rigid. The members of the committee may speak any number of times, but, still there is a thirty minute limit

1. Sir T.E. May, Constitutional History, Vol. III, p.350.

2. Durell, Parliamentary Grants, p.4.

3. See S.O. No. 55.

4. Beauchesne, Parliamentary Rules and Forms, 1958, p.224.

for speakers other than the Prime Minister and the Leader of the Opposition. Furthermore, the speeches are required to be strictly relevant to the item under consideration.¹ Although under the rules all the members must address the Chairman, in actual practice the members commonly address one another, ask questions, and receive direct answers.

The estimates are not presented simply as enormous blocks of funds; rather, they are divided into several hundred heads, pertaining to various public services. For instance, in the fiscal year of 1955-56, there were 551 items in the main estimates and 162 in the supplementary.² And they are considered item by item. When the estimates of a particular department are being considered in the Committee of Supply, it is customary that the Minister responsible for insertion of various items should be ready to explain and defend them. As Mr. Edward once remarked:

"I have seen Sir Hector Langevin, when Minister of Public Works, stand for hours with his book in his hand and his deputy beside him, and give all information regarding the item in advance without waiting to be asked. If anything were neglected or forgotten in his memo he would ask his deputy."³

In order that the members may properly equip themselves for the ensuing discussion in the committee, they are supplied with a printed copy of the estimates and also the Auditor General's report of the government's expenditure for the past fiscal year.⁴ The Committee

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1. Beauchesne, Parliamentary Rules and Forms, 1958, p.210.
 2. J.M. Macdonnell, "Parliament and The Purse", Queen's Quarterly, Vol. 63, p.530.
 3. Canada, House of Commons Debates, 1909-10, p.703.
 4. Bourinot, Parliamentary Procedure, Third Edition, p.589.

of Supply cannot increase a grant which has been recommended by the message from the Governor General, but any motion to reduce a grant or to strike any item from the estimates is always in order.¹ Such reductions are extremely rare, since each item is regarded as a resolution of the government, which is carried through automatically by the weight of the government's majority. Furthermore, any attempt by the opposition to bring about reductions in the initial estimates is generally regarded by the government as a motion of no confidence. This makes it more difficult to do so, as Mr. Macdonnell says: "I can only remember one case in eleven years, where there was a reduction in an item, and that too was due to a mistake in arithmetic where it was obvious to all concerned that correction was needed".² Once the estimates have been presented to the House, the only way by which they can be increased or varied is by government withdrawing the estimates and introducing new ones.³

The most important function of the Committee of Supply is to examine and approve the estimates. The Committee of Supply, however, is not an adequate body for detailed examination of the estimates.⁴ In 1955, after years of urging from the opposition, the government did set up a Select Committee on Estimates. The purpose of this Committee is to provide an opportunity for careful scrutiny of the departmental estimates, as submitted by the government. The minister responsible for

1. Bourinot, Parliamentary Procedure, Third Edition, p.592.

2. J.M. Macdonnell, "Parliament and The Purse", p.532.

3. Bourinot, Parliamentary Procedure, p.592.

4. Jennings, Parliament, p.295.

the department under examination is usually present in the Committee of Estimates so that he may explain and, if necessary, defend his proposals. This Committee is also empowered to send for persons, papers and records. After it has completed its investigation it reports to the House of Commons. The reports of this Committee have so far not been debated in the House, but the members are free to discuss at length in the Committee of Supply. As soon as the Committee of Supply has completed its labours and passed the resolution covering all the estimates, it is reported to the House, where a further opportunity of debate is given, when the acceptance of the vote is under consideration. At this stage, the Minister of Finance may move "that the House resolve itself into the Committee of Ways and Means" to consider the so-called "budget resolution". As both these Committees are formed at the commencement of the session, it is not necessary under modern practice to pass a vote first in the Committee of Supply in order to lay the foundation for the Committee of Ways and Means.¹ However, the chief function of the Committee of Ways and Means is to regulate the modes in which the expenditure authorized by the Committee of Supply is to be met. The functional distinction between the Committee of Supply and the Committee of Ways and Means can be described as follows:

"The former is supposed to control the public expenditure by considering the grants of money that will be required during the fiscal year, while the duty of the latter is to consider the methods by which necessary moneys are to be raised and to authorize the voting of requisite amounts out of the consolidated Revenue Fund."²

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1. Bourinot, Parliamentary Procedure, p.592.
 2. W.C. Clark, "Financial Administration of Canadian Government". Canadian Journal of Economics and Political Science, Vol. 4, 1938, p.400.

After the Committee of Ways and Means has formally passed the resolution, it reports back to the House of Commons. Once the House of Commons has agreed to the resolution of this Committee, it is the duty of the Minister of Finance to introduce the supply bills which contain in full detail all the votes passed by Parliament. These supply bills differ from the ordinary bills because the preamble assumes the shape of an address to the British Sovereign and the phraseology is as follows:

"Most Gracious Sovereign, whereas it appears by messages from His Excellency the Most Noble Victor Canistian William, Duke of Devonshire, etc., etc., Governor-General of Canada, and the estimates accompanying the said messages that the sums herein-after mentioned are required to defray certain expenses of public service of Canada, not otherwise provided for ... May it therefore be enacted and be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Commons of Canada, that: ..." ¹

After the House of Commons has concluded its consideration of the Supply Bill and has given its consent, it is then sent to the Senate. The role of the Senate with regard to financial measures is a minor one. Section 53 of the British North America Act provides that money bills shall originate only in the House of Commons, and this gives the Senate a secondary role with respect to finance. Theoretically the Senate can amend and even reject a money bill, and in fact the Senate rejected the Old Age Pensions Bill in 1926, but the same bill was passed a year later. The power of the Senate to amend a money bill is still a matter of dispute between the two Houses. The British North America Act is silent about this, but there is a standing order of the House of

1. Villard and Willoughby, The Canadian Budgetary System, p.110.

Commons which states that:

"All aids and supplies granted to Her Majesty by the Parliament of Canada, are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is undoubtedly the right of the House to direct, limit, and appoint in all such bills and ends, purposes, considerations, conditions, limitations and qualifications of such grants which are not alterable by the Senate."¹

In 1918 the Senate of Canada appointed a special committee to determine the rights of the Senate in matters of financial legislation, and this committee, after a lengthy investigation, pointed out in its report that:

"We are of the opinion that the Senate of Canada may amend a Money Bill originating in the House of Commons as fully as the House of Commons can do. Of course the powers of the Senate are limited to the same extent as those of the House of Commons by the fact that Money Bills must be recommended by a message of the Governor General."²

This report, however, was not approved by the House of Commons, and in actual practice the Senate does not attempt to impose its will on the House of Commons with regard to financial matters. There are free and frank discussions with regard to the general questions of Supply, but the Senate does not go into the Committee of the whole House. After the Senate has concluded its consideration of the Supply Bill and has given its consent, it is then sent to the Governor General on the name of the House of Commons only, and his assent is given in the following words: "In His Majesty's name, His Excellency the Governor General thanks his loyal subjects, accepts their benevolence and assents

1. See Standing Order of the House of Commons, No. 63.

2. Report of the Special Committee appointed to determine "The Rights of the Senate in the Matters of Financial Legislation", 1918, p.13.

to this Bill."¹ After the Royal assent is given, the Supply Bill becomes the Act and the Supply item becomes the grant. However, no payment based on such grant is made until the release of supply is authorized by the Crown, which is always done by Order-in-Council.² Once the release of Supply is given the funds are placed at the disposal of various departments, the expenditure of which is controlled by various rules and regulations made by the Treasury Board as an agent of Parliament.

So much for the main estimates. Since the estimates are prepared about fifteen to eighteen months in advance, it is very difficult for the Government to make an exact forecast of the amount which will be required for each service. Consequently it is always necessary to introduce supplementary estimates each year. The procedure required for the supplementary estimates is identical to that of the main estimates. The essential principle involved in all kinds of Supplies, and in all the Parliamentary forms of Government, is that no sums of public money can be expended without the authority of the legislature. This principle is fully recognised in Canada, but still there exists an exception, which relates to the Governor General's warrants for unforeseen expenditure. The Financial Administration Act provides that:

"Where an accident happens to any public work or building when Parliament is not in session and an expenditure for the repair or renewal thereof is urgently required, or where any other matter arises when Parliament is not in session in respect of which an expenditure not foreseen or provided for

1. Dawson, The Government of Canada, p.426.

2. W.C. Clark, "Financial Administration of Canadian Government", p.401.

by Parliament is urgently required for the public good, the Governor in Council, upon the report of the Minister that there is no appropriation for the expenditure and the report of the appropriate minister that the expenditure is urgently required, may order a special warrant to be prepared to be signed by the Governor General authorizing the payment of the amount estimated to be required for such expenditure."¹

Furthermore, the same Section provides that such authority to make expenditures lapses at the end of the fiscal year, and all warrants under this section and the amounts thereof must be laid before the Parliament within fifteen days of the Commencement of the next ensuing session. This provision of Governor General's warrants marks a radical departure from the British system, and it has been frequently called a most peculiar provision. Speaking on the Governor General's warrants for unforeseen expenditure, Mr. McCarthy said: "We alone, I believe, of all the English-speaking communities that have self-government, have given the Executive this power of obtaining money by means of Governor General's warrant."² During the early days of Confederation the Dominion Government frequently issued the Governor General's warrants on all sorts of occasions. For example, in the year 1879-80 the Governor General's warrants were drawn for the sum of \$685,253; in 1880-81 for \$845,000; in 1882-83 for \$589,000; in 1883-84 for \$1,175,000; in 1884-85 for \$734,000 and in 1885-86 for \$3,884,221.³ This clearly shows that the Government quite often depended upon the Governor General's warrants. However, with the growth of greater respect for democratic principles, governments are reluctant to

1. Rev. Stat. Can. 1952. Ch. 116. Sec. 28.

2. Canada, House of Commons Debates, 1896, p.735.

3. Villard and Willoughby, The Canadian Budgetary System, pp.65-66.

use the Governor General's warrant, and they do so only as a last resort. In 1957, two warrants of the Governor General were issued, one for the Department of Veterans Affairs and the other for the Department of Citizenship and Immigration.¹ In considering the estimates of the Department of Veterans Affairs, the opposition did not question the use of Governor General's warrant. Nevertheless, when the Committee of Supply began its consideration of the Estimates of the Department of Citizenship and Immigration, it led to a considerable criticism of the government. Mr. Fulton, the Acting Minister of Citizenship and Immigration, justified the use of the Governor General's warrant in the following words:

"This warrant was made necessary by what I think I am correct in describing as a lapse of authority. Agreements were not made with the provinces in time to use the money which had been voted for this purpose and which was to be spent pursuant to agreements. Agreements were not arrived at by the end of March. The money was required and we did not have any authority for spending it because agreements had not been made. Therefore the Governor General's warrant was necessary."²

An interesting fact about the use of the Governor General's warrant in 1957 was that the government did not include it in the Supplementary Estimates, which was the established practice. Instead, it tabled in the House the Order-in-Council according to which the expenditure was authorized.

This brings us to another aspect of financial administration, which involves the setting up of a complicated system of authorizing,

1. Canada, House of Commons Debates, 1957-58, p.4166.

2. Canada, House of Commons Debates, 1957-58, p.4079.

auditing and checking the disbursement of public funds. The statutory directions regulating this aspect are for the most part embodied in the Financial Administration Act of 1951. The primary responsibility for this system is vested in the Cabinet, which acts through the Treasury Board. There are two important officials charged with the duty of maintaining control over the expenditure of the government, the Comptroller of the Treasury and the Auditor General. The office of the Comptroller is of comparatively recent origin, and was established in 1931, when the Consolidated Revenue and Audit Act was reformed. While introducing the resolution of the appointment of the Comptroller, the Prime Minister, Mr. Bennett, remarked that: "Briefly it contemplates the centralizing in the Department of Finance, of the Financial Control of the business of the country."¹ The Financial Administration Act, 1951, provides that the Comptroller is to be appointed by the Governor-in-Council "for the purpose of maintaining more complete control over the administration of the Consolidated Revenue Fund". He is an officer of the Department of Finance, and holds office during good behaviour, can be removed by Order-in-Council for misbehaviour, or for incapacity, inability or failure to perform his duties. If he is removed from office, the documents relating to his removal must be laid before Parliament within the first fifteen days of the next session.

The chief function of the Comptroller of the Treasury is to see that expenditures are made in accordance with the intentions of Parliament. In other words, his function is to act as the watchdog of

1. Canada, House of Commons Debates, 1931, p.2816.

the Consolidated Revenue Fund.

Section 33 of the Financial Administration Act provides that:

(1) "Every payment pursuant to an appropriation, except a payment made under subsection (2), shall be made under the direction and control of the Comptroller by cheque drawn on the account of the Receiver General or other instrument, in such form and authenticated in such manner as the Treasury Board directs.

(2) Where an instrument issued under subsection (1) is presented by a Bank to the Receiver General for payment, the Receiver General, or an officer authorized by him, may pay the instrument out of the Consolidated Revenue Fund."¹

The Act also provides that no contract which involves payment of money by Her Majesty shall have any force, unless the Comptroller has certified that there is sufficient unencumbered balance available, out of the amount authorized by Parliament. Furthermore, it provides that all such contracts shall be submitted to the Comptroller as soon as they are made, unless the Comptroller certifies that he does not require it.² The Comptroller has the power to reject a requisition if he is of the opinion that the payment would be unlawful or it would involve more expenditure than Parliament had authorized.³ The Comptroller, and his officers have the right to examine all records and documents necessary for the discharge of their responsibilities. The Comptroller, however, enjoys only limited powers; in fact his primary task is to see that the rules are kept. In case of any dispute between the Comptroller and the deputy head of the department, the final decision rests with the Treasury Board.

The Auditor General also plays a very important role in

1. Rev. Stat. Can. 1952. Ch. 116. Sec. 33.

2. Rev. Stat. Can. 1952. Ch. 116. Sec. 29 (1) (2)

3. Rev. Stat. Can. 1952. Ch. 116. Sec. 31 (3).

maintaining control over the expenditure of the government. Mr. Bennett once remarked that: "The Comptroller acts as a check upon the spending departments, the Auditor General acts as a check upon him, because the cancelled cheques immediately flow into the joint control of the Auditor General and the Minister of Finance."¹ The office of the Auditor General was established in 1870, when the first Audit Act was passed. The Auditor General, unlike the Comptroller, is an officer of Parliament. He holds the office during good behaviour, and can be removed only by Governor-in-Council after a passage of a joint address by both the Houses of Parliament.² His duties as established by the first Audit Act, remained practically unchanged until 1931, when some fundamental alterations were introduced in the system. Mr. Herbert Balls has described these changes in the following words:

"The Auditor General, as a legislative officer, retained and in some respects increased his authority over the audit. The control of issue once regarded as buttress of his authority was taken from him, leaving him free to devote his time to his duties."³

The Auditor General possesses wide powers of inquiry and examination, which enable him to determine whether or not legislative instructions are being obeyed. The Financial Administration Act provides that:

"The Auditor General shall examine in such manner as he may deem necessary the accounts relating to the Consolidated Revenue Fund and to public property and shall ascertain whether in his opinion,

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1. Canada, House of Commons Debates, 1931, p.2939.
 2. Rev. Stat. Can. 1952. Ch. 116. Sec. 65.
 3. Herbert Balls, "The Legislative Audit", Public Administration, Vol. XXV, 1947, p.157.

- (a) The accounts have been faithfully and properly kept,
- (b) all public money has been fully accounted for, and the rules and procedure applied are sufficient to secure an effective check on the assessment, collection and proper allocation of the revenue,
- (c) money has been expended for the purpose for which it was authorized by Parliament and the expenditures have been authorized, and
- (d) essential records are maintained and the rules and procedure applied are sufficient to safeguard and control of public property."¹

After the Auditor General has conducted the examination of various accounts, he is obliged to report annually to the House of Commons the results of his examination. He must bring to the notice of the House each and every case in which he has observed that:

- (a) "Any officer or employee has willfully or negligently omitted to collect or receive any money belonging to Canada,
- (b) any public money was not duly accounted for and paid into the Consolidated Revenue Fund,
- (c) any appropriation was exceeded or was applied to a purpose, or in a manner not authorized by Parliament,
- (d) an expenditure was not duly authorized or was not properly vouched for or certified,
- (e) there has been a deficiency or loss through fraud, default or mistake of any person, or
- (f) a special warrant authorized the payment of any money, and to any other case to which the Auditor General considers should be brought to the notice of the House of Commons."²

However, any report of the Auditor General to the Governor-in-Council, or to the Treasury Board must be made through the Minister of Finance.³ The Auditor General is entitled to a free access at all convenient times, to all files, documents, and other records relating

1. Rev. Stat. Can. 1952. Ch. 116. Sec. 67.

2. Rev. Stat. Can. 1952. Ch. 116. Sec. 70.

3. Rev. Stat. Can. 1952. Ch. 116. Sec. 72.

to the accounts of every department.¹ Furthermore, he is authorized to examine any person under oath, on any matter pertaining to any accounts subject to audit by him.²

The Auditor General combines the role of commercial and legislative auditor. As a commercial auditor he examines the books of accounts, vouchers, and records to make sure that the entries are correct and free from technical errors and the error of principle and judgment.³ As a legislative audit his duty is to examine the accounts of various departments, and then to submit the report to the House of Commons, bearing in mind the Section 70 of Financial Administration Act. By convention it is regarded as his duty to report to the House of Commons any administrative action which has caused any waste of money or material. There is another convention of equal importance which affirms that the Auditor General should not criticize any action of the administration, because any such intervention by him would prejudice the independence of his work as a servant of Parliament.⁴ The Auditor General carries out two kinds of audit, the audit of accountancy, the audit of authority, and in case of expenditure, an appropriation audit.⁵ By appropriation audit it means that he must ascertain on behalf of the House of Commons that the money that has been voted was used strictly according to the intentions of Parliament and that the grant was not exceeded. The purpose of the audit of authority is to establish that those handling public funds have authority for each transaction, whether it be act of

1. Rev. Stat. Can. 1952. Ch. 116. Sec. 66 (1)

2. Rev. Stat. Can. 1952. Ch. 116. Sec. 74

3. Herbert Balls, "The Legislative Audit", p.157

4. Ibid, p.158.

5. Ibid.

Parliament, Executive order, or departmental regulation. Herbert Balls has described this dual role of the Auditor General in the following words:

"In conducting his examination of the accounts, the Parliamentary Auditor must therefore take cognizance of statutory instructions governing the financial transactions and regulating the audit, the executive and departmental directions and rules prescribed for the receipt and disbursement of public moneys and the conventions underlying the audit of business transactions which have been formulated by commercial auditors."¹

The Auditor General enjoys only limited power; in fact his powers extend mainly to the examination and inquiry of public accounts. Parliament has not laid down any definite program with regard to the manner in which he should conduct his investigation.² Thus he is free to develop those audit techniques which would best serve the need of Parliament. It is not regarded as his duty to examine every transaction; what is required is that he should exercise reasonable skill and caution, but he need not like Hotspur "Cavil on the ninth part of a hair".³ The Auditor General proceeds by way of test audit and examines the system on the whole, by which the accounts are kept and payments are made. But he must bring to the notice of Parliament, each and every case which involves any sort of irregularity. His annual report, which is of forbidding size, contains comprehensive accounts of government's financial stewardship. And it is always regarded as a document of great value. Mr. W.C. Clark says that: "This constitutes a mine of information for

1. Herbert Balls, "The Legislative Audit", p.158.

2. Ibid, p.159.

3. Ibid, p.165.

the members of Parliament and for the average citizen who wishes to delve deeply in the mysteries of that bourne from which the tax payers' dollar never returneth."¹

The real value of the report depends on the extent to which it is used by the Public Accounts Committee. The Public Accounts Committee in Canada began to function in March 1870. However, on April 1st, 1868, Mr. Holton expressed his concern that the Public Accounts Committee had not been convened in the first session. Mr. Rose, the Minister of Finance, pointed out that it would be appointed at an early date.² Again on April 22nd, 1869, Mr. Holton said that: "it was now more than 9 months since the last financial year has closed, and surely the Public Accounts ought to be ready".³ However, the accounts were not ready because the government was confronted with what Mr. Rose called "an entirely exceptional work" of preparing not only the accounts of each branch of public service but also it was required to prepare a separate record of the proper adjustment of the debts of each Province. With regard to the Public Accounts Committee, Mr. Rose said: "It was but on Wednesday (21st April, 1869) that the Public Accounts Committee had been appointed and it could not go to work until tomorrow, so that the complaint of delay had come too soon."⁴ Presumably the Committee did not function in the second session of Parliament. This can be shown from the record of the third session of Parliamentary Debates 1870 which say:

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1. W.C. Clark, "Financial Administration of Canadian Government", p.419.
 2. Parliamentary Debates Dominion of Canada 1868, p.152.
 3. Parliamentary Debates Dominion of Canada 1869, p.9
 4. Parliamentary Debates Dominion of Canada 1869, p.10.

"Hon. Mr. HOLTON asked when the Public Accounts Committee would be convened and hoped that the Finance Minister would be more specific in his information, as to when the public accounts would be laid on the table. There had been no examination of these accounts by the Committee for the last two sessions. The Finance Minister would no doubt remember that he had assured the House that all the accounts were then in the hands of the printer, and if so, they ought to be almost if not quite, ready.

Hon. Sir Francis Hincks said, he was not prepared for the question, but there would be as little delay as possible.

Hon. Sir George E. Cartier said the Committee was only appointed today (March 3, 1870)."¹

The Committee submitted its second report on March 10th, 1870, and began to function regularly.² It is empowered to send for persons, papers, and records, and also it can examine the witnesses under oath. During the early days of Confederation it performed a very useful function, and it did not hesitate to summon civil servants - even the Prime Minister, and the Leader of the Opposition.³ But, as the time passed it lost its aggressiveness.

Its Chairman, on calling the members to order, on 25th of April, 1950, remarked that "this committee so far as I understand, has sat only about six times in the last twenty years".⁴ The primary task of the Public Accounts Committee is to determine whether or not the intentions of Parliament have been carried out. In 1958, for the first time in Canada, the Chairmanship of this Committee was conferred upon Mr. Alan MacNaughton, a member of Her Majesty's loyal opposition. This, in fact, has given a great incentive to the work of the Committee,

1. Parliamentary Debates Dominion of Canada 1870, p.236.

2. Parliamentary Debates Dominion of Canada 1870, p.354.

3. Norman Ward, "The Canadian Committee on Estimates", Parliamentary Affairs, Vol. 10, p.5.

4. Ibid.

because the Chairman and the other members of the opposition in the Committee are always on the alert to find any flaws in the government expenditure policy. And, now it is possible to say in Canada what Durell said with regard to the British Committee on Public Accounts, that:

"Nothing has greater deterrent effect on a department than the fear of having to go before the Public Accounts Committee, and the accounting department stands more in awe of this committee than the House of Commons itself, probably there is less chance of escaping its close scrutiny."¹

The Public Accounts Committee concludes the system of Financial Administration, and its role is similar to that of a doctor who does the post-mortem.

1. Durell, Parliamentary Grants, p.112.

CHAPTER II

EVOLUTION OF THE ESTIMATES COMMITTEE IN CANADA

The Estimates Committee, like many other political institutions in Canada, is the product of a slow and evolutionary process rather than of a radical change.

One of the most important functions of the House of Commons is to maintain control over the national purse, to fill it, and to empty it, for the good of the nation. But its role as a controlling body has been greatly undermined as a result of the tremendous increase in its activities. "The House of Commons" - says Bagehot - "now that it is true sovereign, and appoints the real executive - has long ceased to be the checking, sparing and economical body it once was."¹ The House of Commons today is described as the greatest inquiring machine and the greatest discussing machine which the world has ever known. "But it is neither a suitable body" says Durell, "nor possesses the time or facilities for examining and controlling in detail the purposes or the disposal of its grants."² However, in actual practice it is the Committee of Supply through which the House makes its control effective over the administration of finance. But Sir Ivor Jennings writes that: "At no time since 1902 has it been suggested that the Committee of Supply has been an effective means of controlling expenditure, or even a body concerned primarily with expenditure."³ However, it is upon the larger line of policy rather than the details of expenditure that

1. Bagehot, English Constitution, p.120.

2. Durell, Parliamentary Grants, p.102.

3. Jennings, Parliament, p.303.

the control of the House is most felt. The direct control exercised by the Committee of Supply has become superficial because of its size and its inability to examine the details of the estimates. The Committee of Supply being a Committee of the whole House, consisting of 265 members, cannot adequately examine the details of expenditure. Although each member is provided with a printed copy of the Estimates along with the report of the Auditor General, it is humanly impossible for every member to understand the technicalities involved in these documents of forbidding size. As a result, the members ask questions which instead of clarifying the estimates, cause more confusion. As Mr. Irvine (the member for Wetaskiwin) remarked:

"Sitting in committee of the whole, with a party etiquette reigning on each side, wasting time asking foolish questions, putting the Minister into a corner where he cannot answer and has not the information - all this is absolutely absurd ..."¹

The ordinary function of the Committee of Supply is deliberation rather than inquiry.² The Committee of Supply cannot examine the departmental officials who have first-hand knowledge of governmental expenditures. Therefore, the House primarily depends upon the responsible minister and the parliamentary heads of the department. Durell is of the opinion that even if the Committee of Supply were allowed to examine witnesses, it would neither have time nor would its examination be fruitful. Furthermore, it would be a misuse of the powers of the House.³ Thus it is clear that the Committee of Supply cannot adequately discharge its function of control over expenditure. Mr. Donald Fleming described

1. Canada, House of Commons Debates, 1928, p.4047.

2. Durell, Parliamentary Grants, p.93.

3. Ibid.

the Committee of Supply as "a clumsy awkward vehicle for the discharge of an important public responsibility".¹

The recognition of this fact has led the Parliamentarians to delegate some of the duties of the House of Commons to select committees or standing committees which are in a better position to perform these functions. In pursuit of efficiency in financial matters the House of Commons in Canada has set up two important committees; the Public Accounts Committee and the Estimates Committee, which is of recent origin. The Public Accounts Committee was set up on March 3, 1870.² It is primarily concerned with approved expenditure and its function is to discover whether the intentions of Parliament have been carried out in the proper manner. Mr. Osbert Peake, the former Chairman of the Public Accounts Committee in England, has described the functions of this Committee as, first, to ensure that the money is spent as Parliament intended, second, to ensure the exercise of due economy, and third, to maintain high standards of public morality in financial matters.³ The functions of the Public Accounts Committee being such, it has nothing to do with the question, whether the provisions made by Parliament were adequate or not. This is a question of vital importance both from the public and parliamentary point of view. It is a recognized fact that once the estimates have been approved by Parliament, there is very little possibility of effecting any economies. In fact, the extent to which economies can be effected depends primarily upon the amount of control that can be exercised over the estimates before their final

1. Canada, House of Commons Debates, 1955, p.948.

2. Parliamentary Debates Dominion of Canada 1870, p.236.

3. Chubb, The Control of Public Expenditure, p.170.

approval. This lack of parliamentary control over the estimates has long been recognised in Canada. But, it was only in February 1955 that a special committee was set up to deal with the estimates of various departments.

The evolution of the Estimates Committee in Canada can be described in the following three stages:

- (1) The Growth of Opinion in Favour of the Estimates Committee.
- (2) The Establishment of the War Expenditures Committee.
- (3) The Referring of Estimates to Standing Committees.

(1) The Growth of Opinion in Favour of the Estimates Committee.

The opinion in favour of the Estimates Committee in Canada began to appear following the appointment of a short-lived Committee of Estimates (1912-1914) in the United Kingdom. However, complaints about the Parliamentary handling of public expenditure, both in regard to estimates and public accounts have been quite common in Canada. In 1898 the Canadian House of Commons rejected a resolution which required that:

"The Auditor General is entitled to a great latitude in reporting his opinion to Parliament, and that he should be encouraged, in the public interest, to explain in detail, every particular connected with the appropriation of public grants, upon which he may think it desirable that the Parliament should have further information."¹

Again in 1911, Mr. Reid criticized the method of presenting estimates before the House and he said that: "I protest against the manner in which the estimates are being taken up, which I think is unjust to the members on both sides of the House and to the people of

1. Canada, House of Commons Debates, 1898, p.6245.

the country."¹ In 1912, Sir George Murray pointed out in his report that the system under which the estimates are framed, criticized and presented does not promote any economy. With regard to the existing method of dealing with estimates he remarked that:

"This method appears to me to be at once wasteful of the time of the ministers, and unlikely to result in effective control, which can only be secured by persistent criticism of details, carried on by means of written correspondence in the first instance, rather than by oral discussion, and under conditions which permit of a thorough examination of the proposals."²

Sir George Murray made certain recommendations in order to improve the method of preparing the estimates. First, that every item of increased expenditure should be closely scrutinized and the department concerned should be called upon to justify any such increase. Secondly, that the proceedings of preparing the estimates should be carried out in writing, because oral criticism and oral reply by the minister is an imperfect method. Thirdly, he pointed out that in theory the control of Parliament over expenditure is complete, but in practice it is of very little value.³ It is true that Sir George Murray did not recommend that an Estimates Committee should be set up, but the direct result of his report was that it brought to light that the existing system of dealing with estimates was inadequate. From 1912 onward this topic was discussed off and on in the House of Commons.

However, it was not until April 18, 1921, that the first formal resolution was introduced, which required that a Special Committee be appointed to examine the estimates of various departments.

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1. Canada, House of Commons Debates, 1910-11, p.2994.
 2. Sir George Murray's Report, Sessional Papers, Vol. XLVII, No. 27, 1913, p.11.
 3. Ibid, pp.11-12.

This resolution was introduced by Mr. Lemieux, a veteran member of the Liberal Party, and it stated that:

"In the opinion of the House, in order to co-ordinate and expedite the business of Parliament, in more intelligent and practical ways, the estimates of various departments should before being laid on the table be scrutinized by a special committee of the House, where officers would be summoned to appear with plans and reports bearing on such appropriation."¹

In 1921 the Liberals were in opposition, but this resolution was not introduced with any party spirit. On the contrary, Mr. Lemieux pointed out that the purpose of the resolution was to bring to the attention of the House the expediency of saving time and above all saving money by reducing the burden of taxation as far as possible.² Speaking on the same motion, Mr. King, the leader of the opposition, remarked that:

"I do think that the remarks made this afternoon have shown the necessity of transferring, if possible, to some smaller body, the consideration of the estimates as a whole with a view to eliminating of non-contentious items and reserving for consideration of the House of such items as are likely to give rise to serious discussion."³

Six members of the House participated in the debate on this resolution, and they consumed about two and one half hours' time of the House, but at the end the motion was withdrawn. Although the motion was withdrawn, it would be wrong to assume that it was killed, because from 1921 until 1955 this motion acted as a source of inspiration for the supporters of the committee, and the name of Mr. Lemieux will always be remembered in this connection. In 1924 another important step

1. Canada, House of Commons Debates, 1921, p.2193.

2. Canada, House of Commons Debates, 1921, p.2195.

3. Canada, House of Commons Debates, 1921, p.2209.

was taken in this direction, when the House approved a resolution which required that the Estimates of the Canadian National Railways and the Canadian Merchant Marine be presented to the select standing committee on Railways and Shipping.¹

Again in 1925 another resolution was introduced in the House, this time by Mr. Coote, which required that a select committee be appointed to scrutinize the estimates before submitting them to the Committee of Supply.² But this resolution was shelved on that occasion, because Mr. J.A. Robb, the acting Minister of Finance, introduced an amendment which required that the Committee on Rules and Procedure should first report to the House, on the advisability of referring the estimates to a special committee. Speaking on this amendment the leader of the opposition, Mr. Meighen, remarked that, "if this amendment passes, it leaves everything where it was, exactly as if the motion had never been on the order paper".³ However, the amendment was carried, and in the same year the 'Committee on Rules and Procedure' submitted its report in which it said:

"Your Committee is of the opinion that the question of referring estimates to Special Committees, before being submitted to the Committee of Supply is one of great importance which does not come entirely within the scope of a Committee appointed to revise the rules, and it recommends the same be considered by a Special Committee at the next Session of Parliament."⁴

However, nothing further was heard of this question until the session of 1928, when on the motion to go to Supply the leader of Opposition, Mr. Bennett, moved an amendment condemning the expenditure

1. Canada, House of Commons Debates, 1924, p.2734.

2. Canada, House of Commons Debates, 1925, p.521.

3. Canada, House of Commons Debates, 1925, p.525.

4. Journals of the House, 1925, p.360.

of the Government as excessive and extravagant.¹ The government regarded this motion as a vote of want of confidence, and speaking on the same amendment, Mr. Irvine (the member for Wetaskiwin) informed the House that he and his party (United Farmers of Alberta) would support the amendment unless some assurance was given by the Government that adequate provision would be made whereby the members of the House would be able to examine the estimates more efficiently.

Following the remarks of Mr. Irvine, the Prime Minister, Mr. Mackenzie King, said that:

"I entirely agree with my hon. friend that the system at present in force, under which a minister of the crown is necessarily dependent in the House of Commons on his deputy for much of the needed information with the deputy, also of necessity, often not wholly familiar with all the details of particular branches, is most unsatisfactory. Speaking for the Government I would say that we would welcome a change in the present method, a change which would not only afford a fuller opportunity for discussion but which would carry with it an obligation on the part of the heads of different branches of public service to appear before a Committee of the House and explain fully the reasons which have occasioned the recommendations which find their place in the estimates submitted to the House.

Having said this I would like to supplement my remarks further by saying that if we are not voted out of the office as a result of this blanket amendment and if when another session comes we still retain the confidence of the House of Commons, one of the first matters to which we will ask the House to give its attention and consideration will be one mentioned by my hon. friend, namely that of arranging some method by which the estimates may to a greater or less extent be considered by a special committee or by the standing committees of the House."²

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1. Canada, House of Commons Debates, 1928, p.4039.
 2. Canada, House of Commons Debates, 1928, p.4048.

Within eight months of the above quoted remarks, on February 15, 1929, Mr. King personally introduced a resolution which required that the Select Committee on Standing Orders should be instructed to consider the advisability of amending the standing orders so as to facilitate the submission of certain estimates to a Committee.¹ The resolution was approved and the Committee started its work. On February 21, 1929, Mr. H.E. Spencer (the member for Battle River) introduced another resolution, the third resolution since 1921, which required that an Estimates Committee be set up.² It was declared to be out of order, since this subject was already under consideration by the Committee on Standing Orders. Within one week of the resolution of Mr. Spencer, the Committee submitted its report in which it recommended that:

"During the present session, the House may refer any of the estimates to a standing or special committee, concurrently with the Committee of Supply, but that none of the estimates shall be concurred in by the House until reported by the Committee of Supply."³

At the time this report was presented, a somewhat strange atmosphere prevailed in the House. It appears that perhaps the House had lost interest in the idea of having an Estimates Committee, because no member of the House was willing to speak in favour of the report. Mr. A.W. Neill (the member for Comox-Alberni) was the only member who spoke on this report, but his approach was very critical and he described the report as "not only a weakly evil, but also it has potentialities of harm which makes it undesirable".⁴ In support of his arguments,

1. Canada, House of Commons Debates, 1928, p.147.

2. Canada, House of Commons Debates, 1929, p.348.

3. Canada, House of Commons Debates, 1929, p.460.

4. Canada, House of Commons Debates, 1929, p.465.

Mr. Neill narrated an interesting, though not very convincing story, which runs as follows:

"Once upon a time an eastern potentate who had captured a city proposed to burn a valuable old library. On being remonstrated with he said: 'Either these books support the Koran or they are opposed to it. If they support it they are unnecessary; if they oppose it they are wicked. In either case they are superfluous'."¹

In fact, Mr. Neill expressed very strong convictions that the proposed Committee did not provide any real opportunity to improve the method of dealing with the estimates, and he described it as a "hole-and-corner" committee.² Therefore, he advocated that the House should reject it and at the same time he moved the adjournment of the House, which was agreed to.

However, nothing further was heard of this question until March 12, 1930, when Mr. W.T. Lucas (the member for Camrose) introduced another resolution.³ This resolution was the fourth in a series beginning with that introduced by Mr. Lemieux in 1921. At the time this resolution was introduced, Mr. Lemieux was the Speaker of the House and the Prime Minister, Mr. King, also expressed his sympathies with the resolution, though he suggested some minor changes in the wording of the resolution, which were accepted by Mr. Lucas. The amended resolution stated, "that in the opinion of the House, certain estimates should be referred to a Select Committee or a Special Committee before being referred to the Committee of the Whole."⁴ Speaking on this motion,

1. Canada, House of Commons Debates, 1929, p.461.

2. Canada, House of Commons Debates, 1929, p.462.

3. Canada, House of Commons Debates, 1930, p.527.

4. Canada, House of Commons Debates, 1930, p.549.

Mr. King said, "I would say, that so far as the government is concerned, we are in entire accord with this resolution".¹ The amended resolution was finally approved on division.² In other words, the House gave its approval to set up a Committee to deal with the estimates, but no special committee was formed at that time. Although no constructive action had been taken towards the establishment of an Estimates Committee between the years 1921 and 1930, still this period could be regarded as the most important period in the history of the Estimates Committee in Canada, since during this time four resolutions had been introduced and frequent heated discussions had taken place. The net result was that the opinion in favour of the Estimates Committee crystallized, and furthermore it became clear that the existing methods of dealing with the estimates were inadequate and wasteful of both time and money.

Mr. King made a significant contribution towards the establishment of the Estimates Committee in Canada. On various occasions he expressed his support for this Committee. In the beginning of the 1928 session he discussed this question with Mr. Bennett, the Leader of the Opposition.³ Although Mr. King supported the idea of the Committee on Estimates throughout his long career, he by-passed numerous opportunities without doing anything really constructive about it.⁴ The main reason why the Estimates Committee was not appointed prior to 1930 was, that the opposition and certain independent members like Mr. Neill were not enthusiastic about it. The views of opposition can be summed up in the

1. Canada, House of Commons Debates, 1930, p.530.

2. Canada, House of Commons Debates, 1930, p.550.

3. Canada, House of Commons Debates, 1928, p.4048.

4. Norman Ward, The Public Purse, p.260.

words of Mr. Bennett, who said:

"Under the circumstances, the only utility of such a committee would be to save the time of this House, and that would involve the taking of the notes of evidence, the printing of them, and the submitting of them to all the members of this House, in order that they might read them and govern themselves before the estimates came up in the Committee of Supply. I confess that at various times I have looked into the matter, hoping that there might be some real merit in what I had always believed to be the committee on estimates in Great Britain, in its application to this country, but after I had made the inquiry, which the right hon. the Prime Minister is aware of, I made further inquiries in Great Britain, and also looked at some of the textbooks to which the hon. Minister of Finance (Mr. Dunning) has referred, and frankly, the only purpose that would be served by such a committee would be that which I have just indicated, so far as I could ascertain from the study which I gave to the matter."¹

In the elections of 1930, the Liberal Government was defeated and the Conservative party came to power under the leadership of Mr. Bennett. From 1931 to 1935 nothing was heard of the Estimates Committee, and no Committee was formed in spite of the fact that the House had given its consent to set up a Committee on Estimates.

(2) The Establishment of the War Expenditures Committee.

In 1939, as a result of the Second World War the Estimates Committee in the U.K. lapsed, because it was not possible to deal with detailed estimates for security reasons. Consequently, for the second time in the U.K. the National War Expenditure Committee was set up on similar lines, which recalled the 1917-1920 experiment.² In the same year Mr. MacNicol, member of the House of Commons in Canada, pointed out

1. Canada, House of Commons Debates, 1930, p.536.

2. Chubb, The Control of Public Expenditure, p.148.

that the House should set up an independent or inter-party Committee to deal with estimates,¹ but his suggestion did not find much support in the House because during the early days of War, the demand on the Canadian economy was not great. The Government followed the "business-as-usual" attitude.² In fact, it was not until the collapse of France in June 1940 that the Government undertook a program of war economies, which at the same time intensified the need to supervise and review governmental expenditures.³ On November 12, 1940, Mr. Hanson, the Leader of Opposition, introduced a motion which required that the House set up an independent committee to deal with the Canadian war efforts.⁴ The motion was welcomed by the government and particularly by the Prime Minister, Mr. King. The preliminary talks between the two leaders finally led to a secret conference, which was attended by Mr. King and his colleagues, while the opposition was represented by Mr. Hanson, Mr. Diefenbaker, and Mr. Green. The negotiations were concluded in a very friendly atmosphere and both parties were able to reach an agreement with regard to the general principles of the War Expenditures Committee.

On March 4, 1941, Mr. King introduced the following resolution:

"That a select committee be appointed to examine the expenditure defrayed out of moneys provided by Parliament for the defence services and other services directly connected with the War and report what, if any, economies consistent with the execution of policy decided by the government may be effected therein."⁵

The terms of reference of the War Expenditures Committee show that the committee had limited power, but in a way its powers were wider

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1. Canada, House of Commons Debates, 1939, p.4823.
 2. R. Craig McIvor, "Canadian War-Time Fiscal Policy", Canadian Journal of Economic and Political Science, 1948, Vol. 10, p.64.
 3. Ibid.
 4. Canada, House of Commons Debates, 1940, p.43.
 5. Canada, House of Commons Debates, 1941, p.1218.

than the British Committee on National Expenditure, because the British Committee was allowed to examine only the "current" expenditures, whereas there was no such limit on its Canadian counterpart.¹ Furthermore, no attempt was made to limit the procedure of the Canadian War Expenditures Committee. Speaking on the procedure of this Committee, Mr. King said that, "it is entirely for the members to determine their procedure".² The War Expenditures Committee was composed of 24 members, 18 of them belonged to the Liberal party, 4 to the Conservative party, one to the C.C.F. and one to the Social Credit party.

In its first report the Committee emphasized the organisational aspect, establishing sub-committees, which conducted their separate investigations and then reported to the full committee.³ These sub-committees were also empowered to send for persons, papers, and records, and to sit while the House was sitting.⁴ Each of them was entrusted with a specific subject, so as to provide a better opportunity for the detailed study of the Government's expenditures. In 1941, there were three sub-committees. Sub-committee No. 1 inquired into the contract with civilian flying clubs as well as the construction of various airport and Air Force buildings. Sub-committee No. 2 was assigned to deal with the matter of medical and food supplies for the Army, Navy and Air Force, while sub-committee No. 3 was appointed to inquire into the financial control over Army, Navy and Air Force.⁵ The War

1. Canada, House of Commons Debates, 1942, p.2019.

2. Canada, House of Commons Debates, 1940, p.1241.

3. Canada, House of Commons Debates, 1941, p.1482.

4. Ibid.

5. Second Report of W.E.C. Evidence, 1941, p.6.

Expenditures Committee primarily discussed questions of technical and administrative natures involving the three Services. But in case civilian authorities were involved, it did not hesitate to call their representatives.¹ It conducted a large number of investigations through a network of sub-committees. In the first year of its establishment, sub-committee No. 1 had 29 sittings and examined 49 witnesses. Sub-committee No. 2 had 29 sittings and 15 witnesses appeared before it, and sub-committee No. 3 held 25 meetings and called 25 witnesses.²

The War Expenditures Committee conducted some of its investigations in open session, but most of the sub-committees' meetings were held in camera for security reasons.³ On the other hand, the British Committee and sub-committees always sat in camera, and there was not a single session of the British Committee either sitting as a whole or as a sub-committee that was held in the open. In Canada the opposition was very critical of holding any meeting of the Committee in camera. Furthermore, the members of the Committee found it difficult to extract evidence from Army officials. One such typical case may be cited here. On one particular occasion, when the Committee was sitting in camera, the chairman asked the following question of a military official:

Q. "You notice the point we are concerned with is the duplication of agencies. Have you thought about that at all - how to eliminate and still perform the task; how to eliminate unnecessary duplication?"

A. I think that is a question for the senior

1. Canada, House of Commons Debates, 1942, p.2181.

2. Third Report of W.E.C. Evidence, 1941, p.19.

3. Canada, House of Commons Debates, 1942, p.2023.

men in charge of services to decide among themselves. It is not for me to pass any opinion on anybody. It is their duty, it is their prerogative, shall I say."

The Chairman believed that the officer concerned had the right information, so he asked another question, with the hope of getting some opinion.

Q. "We are in Camera and it is our duty as members of Parliament -.

A. And I am in the Army.

Q. Mr. Picard: But we are here as a Committee to investigate some aspect of Army administration.

A. Sure.

Q. The Chairman: We represent the tax-payer, and you are one of them.

A. Very much so.

Q. And we would like to draw on your wide experience. Have you any thought on that?

A. No. I don't think it is right to ask me."¹

However, it would be wrong to assume that its scope of inquiry was limited only to Army officials, because it heard witnesses from the representatives of various industries and corporations.² The investigations of the War Expenditures Committee were directed to wherever money was being spent in large amounts, and particularly where it had reasons to suspect inefficiency and waste. Mr. H.C. Green described it as a committee to check waste.³ The functions and the purposes of this Committee can best be described in the words of Mr. J.T. Thorson,

1. Canada, House of Commons Debates, 1942, p.1990.

2. Fifth Report of W.E.C. Evidence, 1941, p.593.

3. Evidence of W.E.C., 1941, p.243.

the chairman of this committee, who said:

"I would like to make it perfectly clear that our Committee is not the Public Accounts Committee. While it is not precluded from explaining the past expenditure, its purpose in doing so is to ascertain what economies in the War Expenditures may be possible. It is a Committee for the purpose of promoting economies as far as it can, in our expenditure, consistent with the execution of the policy of the government. It follows from that that it must not therefore in any way hamper or restrain the Canadian war efforts by ensuring that as far as possible there should be a dollar's worth of efforts for every dollar contributed by the Canadian people."¹

Primarily, this was an economy recommending Committee, which conducted its investigations through a network of sub-committees. The proceedings of the sub-committee were less formal as compared to the full committee, and they travelled throughout the country visiting such places as aerodromes, factories, and various construction projects.² The Committee did an excellent job, and it was characterized by a good deal of co-operation among its members. In general, its members did not look upon the work of the committee in any partisan manner and they acted from a national and patriotic motive.³ There is no doubt that the over-riding consideration of the war period provided both the incentive and co-ordination which made the work of the Committee a great success. Although it was entrusted with somewhat different a function than the Public Accounts Committee, the House depended upon it for solid and constructive work and left, what Prof. Ward describes as "monkey

1. Evidence of W.E.C., 1941, p.240.

2. Second Report of W.E.C Evidence, 1944.

3. Canada, House of Commons Debates, 1948, p.819.

business", to the Public Accounts Committee.¹ In 1944 there was a remarkable change in the functions of this Committee when the House referred to it certain estimates relating to the Armed Forces.² Therefore, it is possible to describe it as the Estimates Committee for war purposes. The Special Committee on War Expenditures functioned from 1941 to 1945. At the end of the war the Committee was appointed, but its terms of reference were modified and its name was changed to the Special Committee on War Expenditures and Economies.³

(3) The Referring of Estimates to Standing Committees.

In March of 1946 the British Committee on War Expenditures was replaced by the post-war Estimates Committee.⁴ It inherited from its predecessor valuable experience, both from the point of view of organization and techniques. But in Canada no such attempt was made to appoint a special committee to deal with the estimates of various departments. In May, 1946, however, Mr. King introduced a motion which required that certain votes relating to the Department of External Affairs should be withdrawn from the Committee of Supply and referred to the Standing Committee on External Affairs.⁵ Speaking on this motion, Mr. Reid (the member for New Westminster) remarked that, "it is an historic moment whether the House realizes it or not".⁶ In fact,

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1. Norman Ward, The Public Purse, p.207.
 2. In 1944 the sub-committee No. 1 dealt with all Air Services' Estimates except Item No. 5, and sub-committee No. 2 dealt with all Army Services' Estimates except Item No. 4. Evidence of W.E.C., 1944, pp.9,11.
 3. Canada, House of Commons Debates, 1945, p.1859.
 4. Chubb, The Control of Public Expenditure, p.161.
 5. Canada, House of Commons Debates, 1946, p.1394.
 6. Canada, House of Commons Debates, 1946, p.1395.

it was not exactly an historic moment for such practice has been followed in Canada since 1924. It was in 1924 that for the first time in the History of the Canadian Parliament that the estimates of the Canadian National Railway System and Mercantile Marine were submitted to a Select Standing Committee.¹ Of course it is true that the estimates submitted to that committee were not the entire estimates since they were mainly concerned with the purchase of new property to be operated by the Government railway system.² However, in the United Kingdom similar proposals had been made in the sessions of 1887 and 1888, and in 1888 three separate Committees were appointed to deal with the estimates of Army, Navy and the Revenue Department.³ The Select Committee of 1924 was empowered to sit while the House was sitting and it could send for persons, papers and records. But it had no power to examine the officials under oath.⁴ The opposition was very critical at the appointment of this Committee because of its limited power. Mr. Meighen, the leader of the opposition, remarked that "this Committee would be a mere nonentity, it would be utterly worthless for the purpose of this House".⁵ But on the whole the majority of the members of the House expressed their appreciation on the work of this committee.

From 1946 onwards the estimates of the Department of External Affairs were submitted to the Standing Committee on External Affairs. This committee provided full opportunity to examine officials of the

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1. Canada, House of Commons Debates, 1924, p.2732.
 2. Canada, House of Commons Debates, 1924, p.2736.
 3. Jennings, Parliament, p.303.
 4. Canada, House of Commons Debates, 1924, p.2732.
 5. Canada, House of Commons Debates, 1924, p.2736.

department and various other important men such as General McNaughton and Mr. Cavell. The Standing Committee on External Affairs performed very useful functions. Mr. Donald M. Fleming, who was a member of the Committee from 1945 to 1955, summed up his opinion of this committee in the following words: "I want to express the very firm opinion that the estimates which have had the best review in the House of Commons in these ten years have been the estimates of the Department of External Affairs".¹ In 1951 another step was taken in this direction when the House approved a motion which required that the estimates of the Department of Veterans Affairs should be submitted to the committee on Veterans Affairs. Furthermore, in the special session of 1951 the House appointed another committee to deal with the expenditure caused by the Korean War. This Committee was called the Defence Expenditure Committee and it was similar in principle to the War Expenditures Committee of World War II.² The purpose of the committee was "to examine all expenditure for national defence ...".³ This Committee held all its meetings in the open. It did not make any significant contribution; Prof. Ward is of the opinion that the Special Committee on Defence Expenditures at its worst bore a family resemblance to the Public Accounts Committee of 1905-1911.⁴ In 1950, however, some items pertaining to the C.B.C. were referred to the Special Committee on Radio Broadcasting for its consideration. Again, in 1952, three items covering the Central Mortgage and Housing Corporation were sent to the Committee on Banking and Commerce.

1. Canada, House of Commons Debates, 1955, p.949.

2. Canada, House of Commons Debates Special Session, 1951, p.296.

3. Canada, House of Commons Debates Special Session, 1951, p.954.

4. Norman Ward, The Public Purse, p.207.

However, it should be noted that in all these cases the rights of the Members and the Committee of Supply were fully protected. Prior to the establishment of the Estimates Committee, the various committees of the House considered two types of estimates, firstly, where the minister was responsible for his department, and secondly, it discussed the estimates of public enterprises which were completely free of the ministerial directions.¹ In addition to the Standing Committees of the House of Commons, the Senate had quite often ordered its Standing Committee on Finance "to examine the expenditure proposed by the Estimates laid before Parliament ... in advance of the Bills based on the said Estimates reaching the Senate".² By 1953 it became an established custom to refer some of the estimates to standing committees before being brought to the Committee of Supply, and at the same time the needs of having a Special Committee on Estimates became obvious.

However, it was only on February 8, 1955, when Mr. C.D. Howe, the acting Prime Minister of Canada, introduced a motion that a select committee be appointed to consider such of the estimates as may be referred to it by the Government.³ Speaking on this motion Mr. Harris said, "I am informed that this is the first government motion of its kind which has been made since Confederation".⁴ The motion was finally approved, but only on an experimental basis. The term "experiment" was very significant because all the important spokesmen from the government side made it quite clear that the committee was only on trial, and no

1. Norman Ward, The Public Purse, p.207.

2. Norman Ward, "A Canadian Committee on Estimates", p.4.

3. Canada, House of Commons Debates, 1955, p.937.

4. Canada, House of Commons Debates, 1955, p.937.

assurance was given whether this committee would become permanent or a standing committee. The government hoped that the result of the experiment would be two-fold. First, there would be more intelligent criticism of government policy based on complete and correct information, and second, it would save the time of the Committee of Supply. Mr. Harris pointed out clearly that if neither of the results occurred it would be a matter of consideration whether the experiment had been successful or not.¹ Anyhow, the experiment must have been a success, for in 1958 the Select Committee on Estimates was replaced by the Standing Committee on Estimates.

After the first motion of Mr. Lemieux it took 34 years to set up a Special Committee on Estimates, and throughout this period there were two main difficulties. First, the opponents of this committee held that any such committee would attack the very roots of the principle of Ministerial Responsibility. This, however, cannot be termed as a valid argument, since we know that in the United Kingdom the first Estimates Committee was set up in 1912, which functioned till 1914. And the second committee was established in 1921, which functioned until 1939, when it was replaced by the National War Expenditure Committee. At the end of the war, the post-war Estimates Committee was again revived. This committee did not undermine the principle of Ministerial Responsibility in the United Kingdom, and there was no reason why it should have done so in Canada. Jealousy could be described as another obstacle in the way of the establishment of the Estimates Committee in Canada. Parliaments in Canada were too jealous to delegate any part of authority to a

1. Canada, House of Commons Debates, 1955, p.940.

Committee like the Estimates Committee. It appears that the opponents of the Estimates Committee closely adhered to the views stated by Mr. Walter Elliot, the former Minister of the Crown in the United Kingdom, who said that:

"I am very jealous of any project to take discussion away from the floor of the House. I am uneasy about sending too much to select committees of members specializing in particular matters such as foreign affairs or colonial affairs, or for that matter, domestic affairs. I would say that the overuse of such committees is a great danger."¹

Anyhow, the Estimates Committee was finally set up in Canada. But, it certainly did prove the remarks of Mr. J.M. Macdonnell, who said that "in Canada the reforms have been painfully slow in coming".²

1. Canada, House of Commons Debates, 1955, p.942.

2. J.M. Macdonnell, "Parliament and The Purse", Queen's Quarterly, (1956-57), Vol. 63, p.534.

CHAPTER III

PROCEDURE IN THE ESTIMATES COMMITTEE

The estimates are brought before this Committee by a motion of the House ordering that the estimates of such and such a department should be withdrawn from the Committee of Supply and referred to the Committee on Estimates. However, this motion cannot be introduced until the House has moved into Committee of Supply by a motion that the Speaker leave the Chair. When this motion is carried the Minister of Finance moves that these estimates be transferred to the Committee on Estimates for its consideration.¹ It should be noted that this motion to transfer the estimates to the Committee on Estimates is not debatable. This point was made very clearly by the Minister of Finance, Mr. Harris, who said:

"As I have indicated on several occasions, though perhaps not in the House, that motion ought not to be debatable. It is not the intention of the Government to create an additional debate to those now existing."²

Another important fact about this motion is, that it does not in any way restrict the power either of the Committee of Supply with regard to the voting of public moneys or of the members to ask further questions in the Committee of Supply. It explicitly includes the limitation "saving always the powers of the Committee of Supply in relation to the voting of public moneys".

Dr. Beauchesne writes that the estimates of any department

1. Canada, House of Commons Debates, 1955, p.940.

2. Ibid.

cannot be considered simultaneously by the two committees.¹ Mr. A. Smith, the Chairman of this Committee, is of the opinion that the Committee of Supply cannot consider these estimates until the Committee on Estimates has concluded its consideration and reported to the House.² Similar views were expressed by Mr. Antonio Plouffe, Chief Clerk of the Committees in the House of Commons. He pointed out that the Committee of Supply cannot consider the estimates which have been withdrawn from it by the orders of the House. Of course, the ultimate power rests with the House, and if it so desires, it can stop any committee from functioning. But once the Estimates Committee is appointed and certain estimates have been referred to it by the House, it would be unusual for the Committee of Supply to consider these estimates.³ Thus, it would not be wrong to say that the Committee of Supply is obliged to wait until the Estimates Committee has concluded the consideration of the estimates referred to it and reported to the House. At the same time, it is implied that the Committee has a duty to report to the House within a reasonable period of time. However, if there was any unavoidable delay in printing the proceedings of the Committee, the Committee did not consider it reasonable to report to the House without the printed copies of the Minutes of Proceedings and Evidence.⁴ In the United Kingdom, the House of Commons does not specifically refer the estimates to the select Committee on Estimates.⁵ Therefore, the Committee of Supply does not have to wait

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1. Beauchesne, Parliamentary Rules and Forms, p.211.
 2. Based on a personal conversation with Mr. Smith, the Chairman of the Committee.
 3. Information based on a personal conversation with Mr. Antonio Plouffe.
 4. Canada, House of Commons Debates, 1955, p.3534.
 5. Questionnaire from Mr. Donald M. Fleming, (see Appendix).

for the report of the Estimates Committee in order to consider these estimates.¹ In other words, in the United Kingdom the estimates of a particular department can be before the Select Committee on Estimates and the Committee of Supply at the same time. This, however, is contrary to the practice in the House of Commons of Canada.

The Committees in the House of Commons of Canada are the master of their procedure within the general principle stated by Bourinot that "the rules that govern the conduct of members in the House should govern them when in Committee".² In 1955, when the Special Committee on Estimates was appointed, the government did not lay down any specific procedure for this Committee. Speaking on the motion to appoint the Committee on Estimates, Mr. Harris, the Minister of Finance, remarked, "we think that the Estimates Committee, at least as a preliminary, ought to conduct itself as closely in keeping with the practice in Committee of Supply as possible".³

Because of the inherent differences between the Committee of Supply and a special Committee appointed to consider the estimates, this Committee was involved from the very outset in various procedural difficulties. First of all, it was not clear as to how it should conduct its investigation. What are the responsibilities of the Minister and the officials of the department who appear before this Committee? A definite lead was given by Mr. J.W. Pickersgill, the Minister of Citizenship and Immigration, whose department was the first to appear before the committee. He made it quite clear in his introductory

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1. Wheare, Government by Committee, p.231.
 2. Bourinot, Parliamentary Procedure, p.540.
 3. Canada, House of Commons Debates, 1955, p.939.

remarks that:

"The view I have taken on what I should do is to use my own judgment when a question is asked as to whether it is the type of question I should take the responsibility of answering myself, or the type of question I should ask one of the officers of the department to answer. I do not intend myself to answer questions which do not involve policy and which do involve details, because I think it would be quite ridiculous for me to turn to one of these gentlemen here and ask him to whisper the answer to me. He is far more capable of giving the answer himself because I do not pretend to be an expert on the details of the department. However, I would like it clearly understood that any question which I wish to answer myself I have the right to answer exclusively."¹

These remarks of the minister were later accepted as an established pattern of investigation in the Committee on Estimates. Thus, questions concerning government policy are always answered by the minister concerned. In the event that the minister is not present, such questions are deferred to the next meeting.² On the other hand, questions of detail are answered by one or other of the departmental officials. It is also regarded as the duty of the minister concerned to introduce to the committee the estimates of his department. Furthermore, the minister whose department is before the committee is required to make a comprehensive statement with regard to the policy of the government and various departmental activities. On various occasions the copies of his statement along with other information and charts were distributed among the members of the committee.³ The purpose of this comprehensive statement is to give the members of the committee

1. Evidence, 1955, p.10.

2. Evidence, 1958, p.60.

3. Evidence, 1958, p.213.

a clear picture of the various operations of the department and of the policy of the government according to which expenditures are made. After the minister has concluded his statement the members of the committee are allowed to ask questions, but these questions are limited only to the broad generalities of the statement. At this stage the members are not allowed to ask questions concerning the details of the estimates. This can be observed from the remarks of Mr. A. Smith, the Chairman of this committee, who said:

"I wonder if I may stop you for a moment Mr. Richard. We are becoming involved in the details of the various sections. Our practice has been to discuss the generalities of the statement first, and then proceed in sequence page by page with respect to the details. I think we should keep to the practice."¹

In addition to the comprehensive statement, by 1958 it became a usual practice for the minister to make a short statement with regard to a particular branch of the department.² At the conclusion of discussion on the minister's statement, the members are allowed to ask questions on the details of the estimates. There is a free interchange between the officials of the department and the members of the committee. The chairman of the committee allows the members wide latitude in the questioning. Sometimes the committee concentrated on the estimates, but sometimes it forgot all about the estimates and devoted its time primarily to the departmental administration and policy.

The most unusual procedural question that arose in the Estimates Committee concerned the status of the minister whose estimates

1. Evidence, 1959, p.265.

2. Evidence, 1958, p.365.

were to be considered by the committee. In 1955, when the committee was appointed, this question did not arise. Presumably, Mr. Pickersgill, the Minister of Citizenship and Immigration, attended the first three meetings as a witness, but in the fourth meeting he raised an objection on a point of order. On this point of order arose the question of the status of the minister in the committee. Mr. Cameron pointed out that the minister could not raise a point of order since he was not a member of the committee. To these remarks Mr. Pickersgill replied angrily, "I realize that I am not a member of the Committee. I am only the prisoner in the box".¹ The chairman of the committee summed up his opinion about the status of the minister in the following words:

"I suggest to you that this is very different because in our terms of reference it was decided that we had no right to call witnesses. The Minister is not here as a witness because we have no right to call witnesses. It was understood that he appeared before the Committee as a minister of the Crown and as an ex-officio member of the Committee. This is something that has been overlooked and I think it should be remedied without delay."²

This interpretation of the Chairman was challenged by Mr. Fulton, who pointed out that "the minister is not under the terms of reference a member or an ex-officio member; he is a necessary witness". However, this intricate problem was solved by the minister himself, who at his own initiative went to the party whip and requested to be the member of the Committee. After Mr. Pickersgill became a member of this Committee he had this to say:

1. Evidence, 1955, p.96.

2. Evidence, 1955, p.106.

"Mr. Chairman, I am now a member of the Committee and I rise to a point of order. Yesterday I was treated as neither fish, flesh, nor fowl. I was accused of dragging red herrings into this Committee, and I was not allowed to reply at a time when a member of the Committee would have been allowed to reply, to allegations which were made about my department and then about my personal conduct.

So I went to the government whip myself and asked him - after getting the consent of a member of this Committee - to allow me to be substituted for that member. I believe the substitution of one member of the same party for another has always been agreed to by the House of Commons. It was I who asked to have that motion made. Nobody else did. And the motion was made in the House of Commons which, I believe, is superior to this Committee."¹

Finally, the minister whose department was to be considered by this committee became a regular member of this committee. Every time a different department came before the Committee the name of the minister was substituted for another member of the government party. This, however, was contrary to the practice of the British Committee on Estimates, where the minister always appeared before the Committee only as a witness. Even in Canada this practice was unprecedented because prior to this a minister was not allowed to be a member of a committee which considered the estimates of his department. With regard to this precedent, Mr. Fulton remarked:

"I think if the members will consult the record they will find I am correct in saying that it is not the practice that the Secretary of the State for External Affairs should ever be a member of that Committee. The same is true of the Banking and Commerce Committee. It is very rarely indeed, if ever, that the Minister of Finance is made a member of that Committee."²

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1. Evidence, 1955, p.125.
 2. Canada, House of Commons Debates, 1955, p.2197.

The opposition was very critical of the government policy of allowing the minister to be a member of this committee, and in fact this issue was debated in the House of Commons. It was argued that the presence of the Minister in the Committee would impair an impartial inquiry into the estimates. The case of the opposition was succinctly stated by Mr. J.M. Macdonnell (Toronto-Greenwood):

"I believe that if you put a minister in a Committee he is bound to dominate it. He is bound to indicate his views at the outset and if that is done other members of his party would not wish to step forward with their views, and then perhaps find that they are entirely contrary to those of the minister."¹

On the other hand, the Government argued that since the purpose of this Committee was to be the miniature of the Committee of Supply, therefore by analogy the minister must be the member of this Committee.² Regardless of the criticism from the opposition, the minister played the part of a witness as well as of a member of the Committee.

In 1958 the special Committee on Estimates was replaced by the standing Committee on Estimates and with that also began the practice of calling the minister to appear before the Committee only as a necessary witness. At the same time its membership was increased from 26 to 60 members. The quorum is 20, but on the request of the Committee it has always been reduced to 15. The membership of this Committee, like any other Committee in the House, is roughly proportional to the strength of the parties in the House. The present membership is 45 Progressive Conservative, 13 Liberal, and 2 C.C.F.

1. Canada, House of Commons Debates, 1955, p.2203.

2. Canada, House of Commons Debates, 1955, p.2199.

At its first meeting the Committee is required to elect its chairman and vice-chairman. Both of these officials are elected from the Government party. Although no one can force the committee to elect a particular chairman, it is usually arranged beforehand through the appropriate channels. Since 1956, the Committee has followed the practice of appointing a Sub-committee on Agenda and Procedure, generally known as the Steering Committee. It is composed of the Chairman and 6 members to be named by the Chairman.¹ The Steering Committee discusses various procedural questions that arise in the Committee. For example, in 1958 it dealt with the question of reducing the quorum of the committee, and also it discussed whether or not the Main Committee should sit while the House is sitting.² Since there are only three Committee Rooms, therefore one of its main duties is to make arrangements for the room and the time of sittings so that it does not conflict with other committees of the House. The question of inviting outside witnesses is always first referred to the Steering Committee. It was on its recommendation that the Main Committee for the first time invited Mr. C.H. Leach, President of the Canadian Tax Foundation.³ With regard to the other witnesses, the sub-committee pointed out that it would not serve any useful purpose and therefore they were not invited. The decisions within this committee are taken by the majority of votes, but the members are usually unanimous. Its meetings are quite informal as compared to the Main Committee. This Steering Committee is an important device for saving the time of the Main Committee. However, it does not

1. Evidence, 1960, p.7.

2. Evidence, 1958, p.58.

3. Evidence, 1959, p.171.

conduct any independent investigation of the estimates. After it has concluded its study it reports to the full Committee, where an opportunity of further discussion is provided before it is adopted. The full Committee has always agreed to the reports of the Steering Committee.

Another interesting feature of this Committee is that it does not have permanent membership. Although its membership is fixed in the sense that it cannot be more than 60, within this number there can be substitutions to any extent. It is recognised as an established practice to have a rotatory membership in this Committee. Therefore, the membership of 60 is misleading in the sense that it does not give the correct indication of the number of Parliamentarians who served on this Committee.

The purpose in doing so is to give a chance to members who are more interested or better qualified to discuss the latest estimates. Sometimes the changes in the personnel of this Committee were so drastic that it appeared as if it was an entirely different Committee. This created various problems, as the Chairman remarked on one occasion: "Well, the last Committee agreed with that unanimously. If every time we have a change of the personnel we have got to redebate these things we are not going to get any work done."¹ Another disadvantage of this practice is that it does not create a body of expert members on the estimates. It only encourages a member to be a jack of all trades but a master of none. On the other hand, the British Committee on Estimates has permanent membership. It is very rare that the

1. Evidence, 1955, p.435.

composition of the committee is changed during a session. In fact, it never changes unless a member wants to retire from the Committee altogether.¹ In Canada the present practice was introduced on the suggestion of Mr. Victor Quelch (member for Acadia) who advocated that such a system would save the time of the Committee of Supply. He said:

"Consequently, when the estimates of a department are referred back to the Committee of Supply other members who are interested in it and who have not had a chance to ask questions, are going to start asking questions, I think, to just as great an extent as they would have asked them before the estimates had been referred to the Committee."²

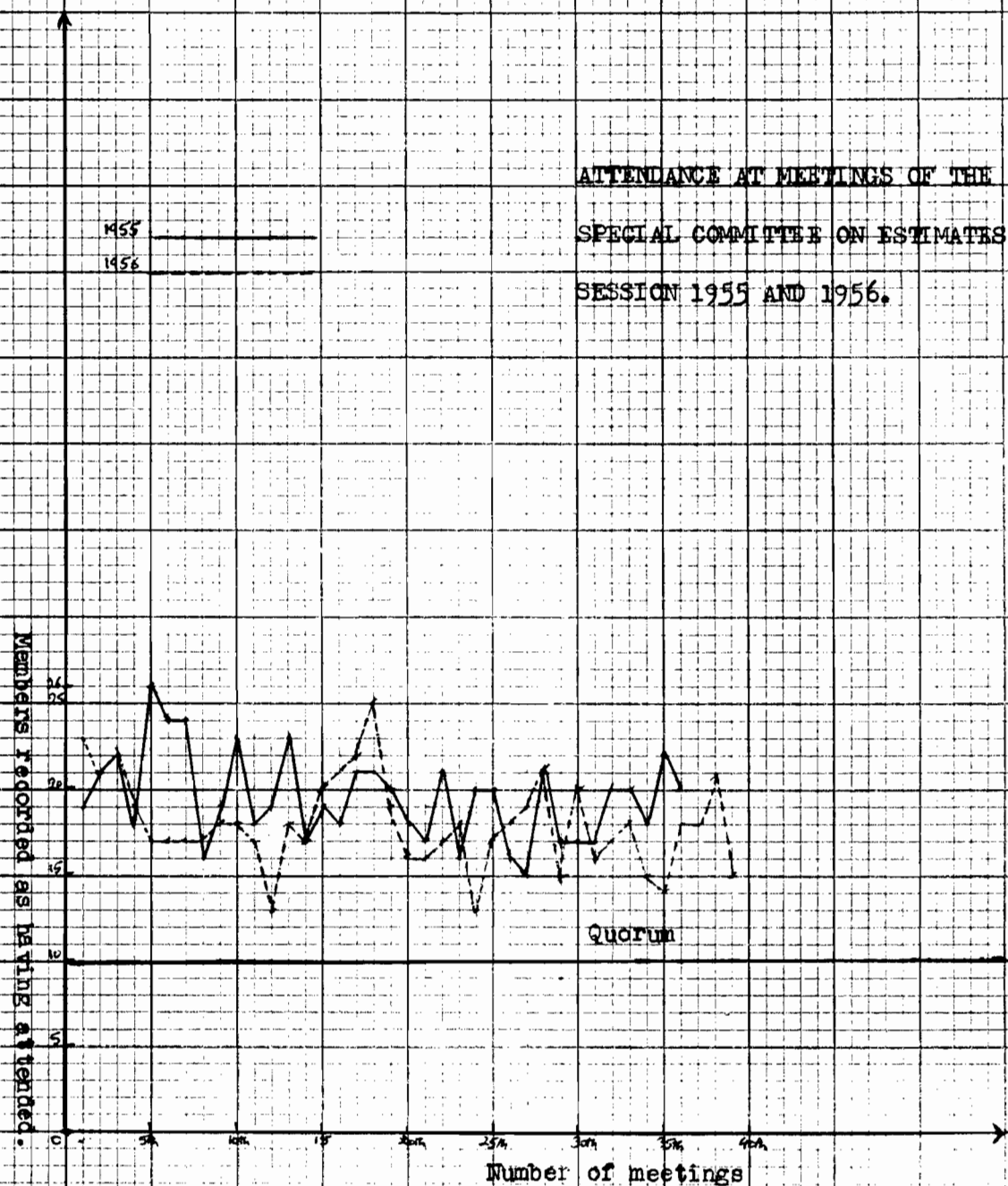
As compared to the other Committees of the House, the Estimates Committee has always shown a good record of attendance. Although on various occasions the Committee had to wait for its quorum, on the whole its attendance was very good. As the Chairman of this Committee remarked: "I think we are fortunate from what I gather to have a quorum at all. A number of other Committees are still waiting for their first member to appear."³

Probably one of the reasons for its good record of attendance is that the membership of this Committee changes frequently. And, the substitutions are made in order to accommodate only those members who are interested in the consideration of the estimates of a particular department. The graphical representation of the attendance of the Estimates Committee is shown on the following two pages.

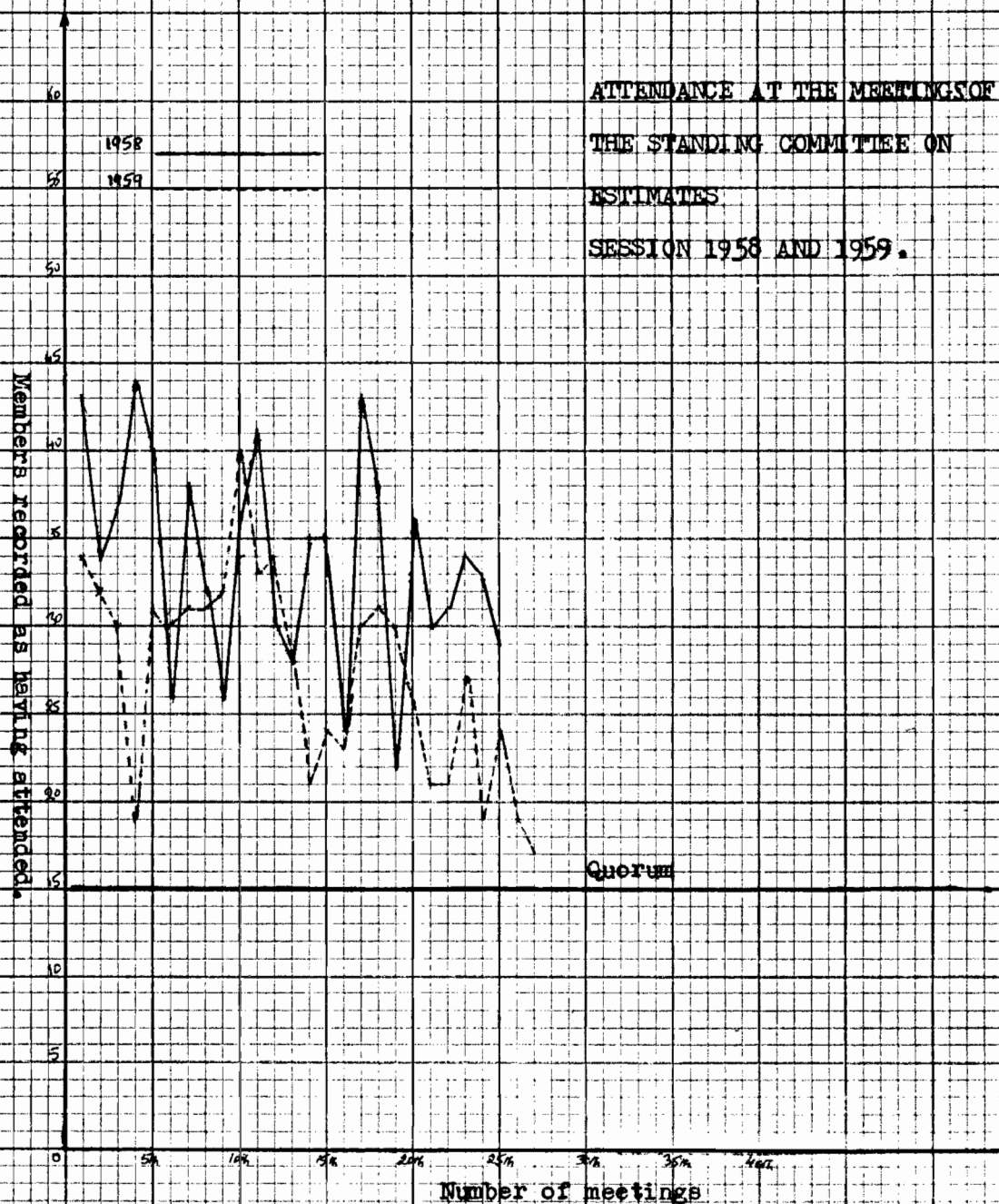
1. See Appendix.

2. Canada, House of Commons Debates, 1955, p.947.

3. Evidence, 1960, p.505.



MEMBERSHIP * 26
QUORUM * 10



MEMBERSHIP = 60
QUORUM = 15

The meetings of the Committee are presided over by the Chairman. On the left of the Chairman sits the clerk of the Committee while on his right sits the minister concerned and his deputy minister. The other departmental officials who appear as witnesses before the Committee sit behind the head table and answer questions only when they are called upon to do so. The primary duty of the Chairman is to give some guidance with regard to the most fruitful line of inquiry. He must therefore thoroughly understand the various techniques by which the investigation can be best conducted. Prof. Wheare writes:

"In a field like public accounts and estimates, for example, it is clear that the chairman must be given some guidance about the lines of fruitful inquiry so that he in turn may lead the committee. The officials must show him the way before he can lead his committee along it. This is all that a good chairman should need. If a chairman cannot find the way, however, the official himself must lead the committee. It is undesirable and regrettable, but it must be done."¹

The success of the committee to a great extent depends upon the ability and the experience of the chairman. The chairman of the present Committee on Estimates, Mr. Arthur Smith, has previously had experience in the Estimates Committee of the Province of Alberta.² He has been the chairman of this committee since 1958, and has performed a very useful function. As Mr. Pearson, the Leader of the Opposition, remarked, "I think we are all most indebted to him for the way in which he conducted the work of the Committee".³ Like other members of the Committee, the chairman has the right to vote, and whenever the votes are equal he has a casting vote.⁴

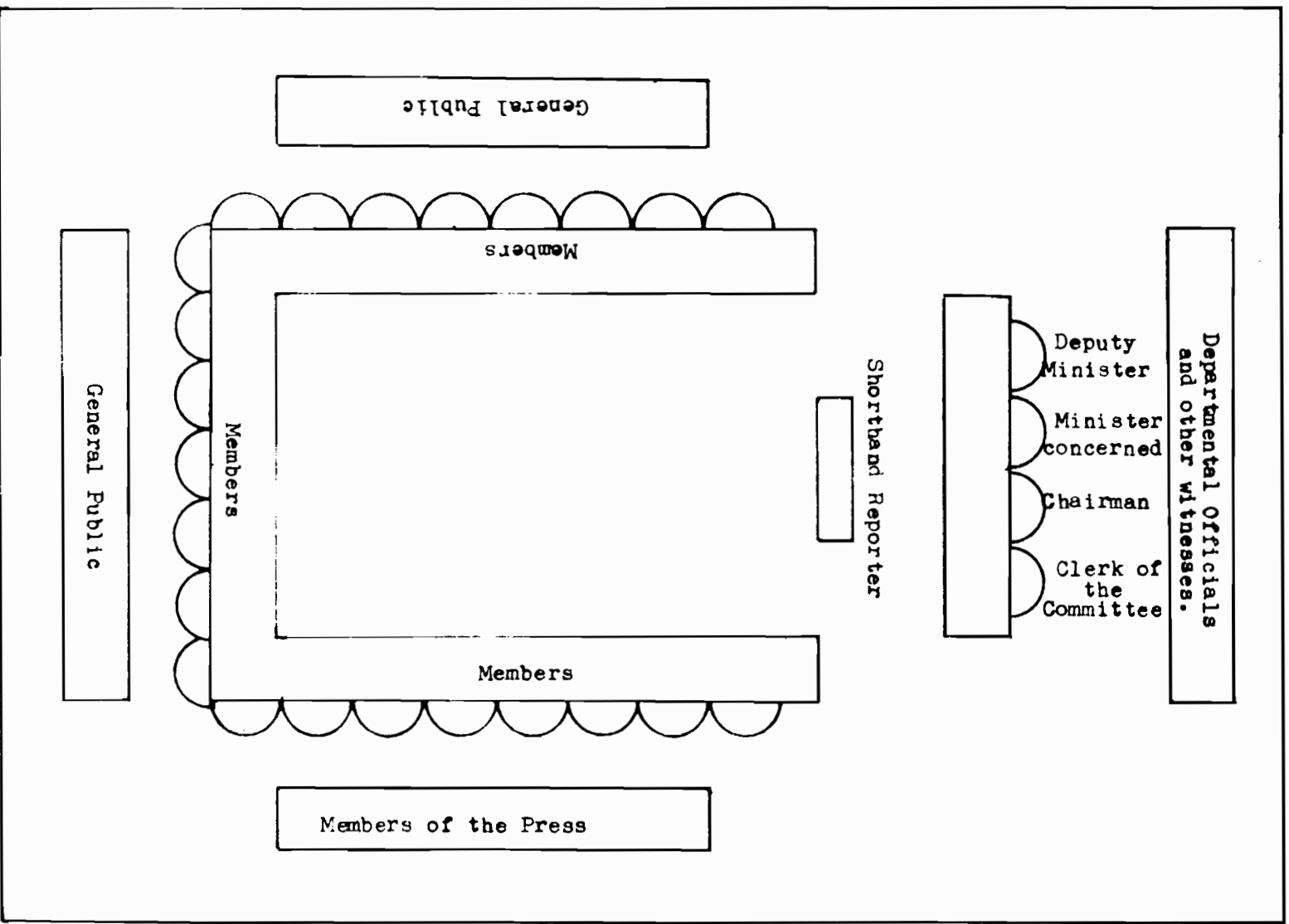
1. Wheare, Government by Committee, p.220.

2. Information based on a personal conversation with Mr. Smith, the Chairman of the Estimates Committee, 9th February, 1962.

3. Canada, House of Commons Debates, 1958, p.3229.

4. See Standing Order No. 107.

THE ESTIMATES COMMITTEE AT WORK



It is the duty of the chairman to maintain order in the committee and also to make arrangements for calling witnesses. He has the privilege of being able to intervene when witnesses are answering the questions asked by other members of the Committee. He has the right to discourage certain lines of questioning if they go beyond the terms of reference. Thus he occupies a dominant position in the committee. It is very unlikely that the committee would pass a motion contrary to the wishes of the chairman. The ruling of the chairman is subject to an appeal to the committee. During the first two years the opposition frequently appealed to the committee with regard to the rulings of the chairman. However, it was always rejected by the committee.

The meetings of the Estimates Committee in Canada are open to the public and the members of the Press. This shows a marked departure from the practice of the British Committee on estimates where all the meetings of both sub-committees and full committee are held in private.

"At the beginning of each session a resolution is agreed to, that strangers not be admitted, unless they are members or officials of Commonwealth or Colonial legislatures, and even then only with the specific consent of the Committee or sub-committee on each occasion."¹

The question arises whether or not the committee sessions should be open to the public. It has been argued that the committee should meet behind closed doors for the same reasons that a doctor talks privately with his patient, a clergyman with his parishioner, and a

1. See Appendix.

lawyer with his client.¹ Certainly it is not only because they want to escape from gossiping tongues. The obvious answer is that the absence of publicity invokes frankness, sincerity and confidence among them. People are not the same in private and in public. They pose when strange eyes are fixed on them and strange ears are open to their words.²

Therefore, it can be said that those who are involved in conducting the investigation, if they are left undisturbed by the members of press and other observers, are likely to do an effective job. Mr. Robert Luce writes:

"Universal experience tells us that in all manner of conference and deliberation, we reach results more speedily and satisfactorily if those persons directly involved are alone. Behind closed doors compromise is possible; before spectators it is difficult. Men are loath to recede from their position, however extreme, if it must be done under the eyes of a critic. It will be said that this is a reason why committee conferences should be open, but since compromise enters usefully into all other human relations, why exclude it from the committee room."³

Prof. Ward writes in his recent work, The Public Purse, that the committees can function more effectively if they sit in camera. "Publicity", he says, "is not merely distracting, with coming and going of members, journalists, and visitors; it can also be positively subversive,"⁴ However, this is only one side of the picture, and there are others who believe that the committee meetings should be open to both public and press. People have the right to know where and how their money is being spent by the government. President Wilson wrote

1. Robert Luce, Legislative Procedure, Boston, 1922, p.151.

2. Ibid.

3. Ibid.

4. Norman Ward, "The Public Purse", p.280.

in his book, Constitutional Government in the United States:

"My reply is that it is our business, and it is the business of every man in the state; we have the rights to know all the particulars of that bill's history. There is not any legitimate privacy about matters of government. Government must if it is to be pure and correct in its processes, be absolutely public in every thing that effects it. I cannot imagine a public man with a conscience having a secret."¹

It should be noted, however, that any such generalization cannot be free from error. Before making such generalizations one must bear in mind two important factors. Firstly, one must remember the purpose of the Estimates Committee in Canada is to act as a vehicle of constructive criticism in the Committee of Supply. Furthermore, it is the purpose of this Committee to ensure that the money which a department requires is adequately accounted for. Now if this Committee sits in camera, it certainly would defeat the purpose for which it has been appointed. Another factor which must be considered is the nature of the field a particular committee is going to investigate. If it is of such a nature that an open investigation could be of comfort to an enemy or other undesirable element in the country, then it must sit behind closed doors. The Estimates Committee in Canada is not bound to hold all its meetings in public. If the Committee thinks that a particular matter should not be discussed in public, then it can sit in camera with the permission of the House.

However, when the Committee has concluded its consideration of a particular department, it meets in camera in order to prepare its

1. Woodrow Wilson, Constitutional Government in the United States, New York, Columbia University Press, 1908, p.129.

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 report. When the committee sits in camera it records only the decisions and not the discussions. The decisions in the committee are taken by majority vote and the votes are taken by the Clerk of the Committee by calling the names. The report is signed only by the Chairman and cannot be accompanied by any counter-statement from the minority.² As soon as the report of the committee is ready the Chairman reports to the House along with a copy of the Committee's Minutes of Proceedings and Evidence. The reports of the Estimates Committee have so far never been debated in the House of Commons. It is argued that the reports of this Committee are not debatable because the committee does not request the House to concur in its reports. According to Standing Order No. 32 (b) the reports of the committees which are not required to be concurred in, cannot be debated.³ Mr. Donald M. Fleming, the Minister of Finance, is of the opinion that there is no need for debating the reports of this committee because they are going to be discussed in the Committee of Supply.⁴

The Reports of the British Committee on Estimates are not automatically debated, but they have been debated on various occasions. Between 1921 and 1939 there was only one debate, and between 1945 and 1950 there were two debates upon the reports of this Committee. The reports of National Expenditures Committee (1939-45) were debated on three different occasions.⁵ The primary purpose of the reports of the Committee in Canada as well as in the United Kingdom is educative

1. Evidence, 1955, p.426.

2. Beauchesne, Parliamentary Rules and Forms, p.249.

3. See Standing Order No. 32 (b).

4. Information based on a personal conversation with Mr. Donald M. Fleming, February 9, 1962.

5. Wheare, Government by Committee, p.232.

and informative rather than political. Probably this is one of the reasons why the reports of the Estimates Committee in Canada have not been debated. However, it should be noted that the members in the Committee of Supply are free to discuss these reports at length. Questions based upon the reports of this committee have, in fact, been frequently asked.

CHAPTER IV
POWERS OF THE ESTIMATES COMMITTEE

On February 8, 1955, for the first time in the history of the Canadian Parliament, the House of Commons approved a resolution which required: "That a select Committee to be designated be appointed to consider such of the estimates as may be referred to it and to report from time to time its findings and recommendations to the House."¹ Strangely enough the resolution did not make any reference to the further powers of the Committee as most resolutions of this nature do. Furthermore, the Minister of Finance pointed out very clearly that it was not the intention of the government to give this Committee the power to send for persons and papers.² It is customary in the British Parliamentary practice to give this power to all Committees which are appointed to enquire and investigate, but the Canadian Committee on Estimates was deprived of this power. The Committee was set up on an experimental basis only, and therefore the government wanted to keep the powers to a minimum. As the Minister of Finance, Mr. Harris, remarked: "For that reason I am recommending a cautious approach to a new system, one which can be tried out without in any way saying that on a future occasion a Committee might not decide to recommend to the House a different procedure."³

Thus to a great extent it was left to the Committee itself to determine its powers and procedure. The government repeatedly

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1. Canada, House of Commons Debates, 1955, p.937.
 2. Canada, House of Commons Debates, 1955, p.976.
 3. Canada, House of Commons Debates, 1955, p.939.

emphasized that it was only an experiment, but it is difficult to explain why the government was not prepared to give this committee sufficient powers to enable it to function properly. It was clear that the Committee had very limited powers; even a member of the government party, Mr. Power, remarked:

"If the order of reference is not wide enough and does not go far enough I suggest to the minister that it should be widened. This is something new; it is an experiment. If in the government's mind it is a reform, let us treat it as a reform and see that it is properly framed so that it operates. If it is only a concession to my hon. friends of the opposition then let us make our concession freely and willingly, not grudgingly."¹

The opposition consistently criticized the government policy of keeping the powers of this Committee to a minimum. From 1955 to 1957 it introduced five different motions, three in the Committee of Estimates and two in the House of Commons, which required that the Committee should be empowered to send for persons, papers and records. During the first three years the committee functioned as a select committee. According to the rules of the House the select committees are appointed for one session only and every year a separate motion is required for the appointment of such Committees. In 1956 when a motion for the appointment of this Committee was introduced in the House of Commons, Mr. Fleming, speaking on this motion, said: "Having experimented last year with a Committee that was hamstrung and fettered, let us this year experiment with an unfettered committee and derive the benefit of experience from it."² Again in 1957 when a similar motion

1. Canada, House of Commons Debates, 1955, pp.953-54.

2. Canada, House of Commons Debates, 1956, p.1669.

was brought before the House, Mr. Diefenbaker introduced an amendment requiring that the Committee be empowered to send for persons, papers and records. Speaking on this amendment Mr. Diefenbaker remarked:

"The Committee that is now being set up under this resolution is but a copy of the one that has been in existence for two years. In the light of that experience I say that unless it has the power to call witnesses and to ask for papers, it is nothing but a sham and a delusion. It promises great things¹ but it is shackled in advance by its lack of powers."

In 1958, as a result of a change in government, some drastic changes were made in the status of this Committee. From a select Committee it was made a Standing Committee and its membership was increased to 60. Furthermore, it was given all the usual powers enjoyed by Standing Committees such as the power to examine and enquire into all such matters as may be referred to it by the House and to report from time to time its observations and opinions. In addition to this, it was given the power to send for persons, papers and records.²

Now the Estimates Committee has the power to call witnesses other than departmental officials, but it is interesting to note that the Conservative Government, like its predecessor, is also reluctant to call such witnesses.³ In 1958, Mr. Winch moved in the Standing Committee on Estimates that Lt. Gen. Guy Simonds and Maj. Gen. Macklin should be invited to appear before the Committee as witnesses. But this motion was rejected by 32 votes to 9 on the ground that it would not serve any useful purpose.⁴ Again in 1959 the Committee was

1. Canada, House of Commons Debates, 1957, p.1657.

2. Evidence, 1958, p.3.

3. Evidence, 1958, p.439.

4. Evidence, 1958, p.444.

requested to invite Mr. C.H. Leach, President of the Canadian Tax Foundation, and any other President, or a Trust Officer of one of the leading Trust Companies. The Committee agreed to invite Mr. Leach to appear before the Committee as an outside witness. With regard to the other witnesses, the Chairman of the Committee pointed out that unfortunately the Sub-Committee on Agenda and Procedure did not consider it a convenient time to invite any other witness.¹ From these two cases it is clear that although the Committee is empowered to call outside witnesses, it is reluctant to use this power. In the last three years it has invited only three witnesses. The British Committee on Estimates and its sub-committee are empowered to send for persons, papers and records. The Full Committee as well as the Sub-Committees have frequently used this power. For example, in 1960 Sub-Committee 'D' considered the estimates of the Colonial Office, and during its investigation it invited a large number of witnesses from outside the department concerned. It included the former Head of the Colonial Office and such notable ex-Governors as Sir Alexander Grantham, Sir Arthur Benson, Lord Howick of Glendale and Lord Twining. Furthermore, Chatham House provided it with Mr. Kenneth Younger and Professor C.E. Carrington.²

The Canadian Special Committee on Estimates, as compared with its British counterpart, was just a nominal committee. The minister whose department was ^{until 1958} under consideration by this Committee was a regular member of the Committee, which without doubt was an obstacle in the consideration of the estimates. Moreover, the Committee had no power to

1. Evidence, 1959, p.171.

2. Bruce Miller, "The Colonial Office and The Estimates Committee", Public Administration, Vol. 39, 1961, p.173.

select a particular department it wanted to examine. It was the responsibility of the government to decide what departments the Committee should consider. It was suggested that the government should consult the opposition in making the selection of the department, but this was never done.¹ The government's attitude toward this Committee became very clear on February 29, 1956, when the Leader of the Opposition, Mr. George A. Drew, speaking on the motion to appoint this Committee, informed the House that the Prime Minister had advised him in writing that the Government had selected an entirely different group of estimates. He quoted the letter of the Prime Minister, which said:

"Last December we considered this question and decided that we would refer to the Committee the Department of National Revenue, Labour, Health and Welfare, and Post Office, and these departments have been making suitable arrangements in the meantime. Under the circumstances I do not think it would be desirable to change these plans."²

It is interesting to note that the letter of the Prime Minister was written on February 2, 1956, and the motion to appoint the Committee was introduced in the House on February 9, 1956. Moreover, the session of Parliament began in January 1956, which means that the Cabinet decided before the House of Commons appointed this Committee. In other words, no choice was left even for Parliament to make decisions in this respect. The British Committee on Estimates has followed a practice which is in sharp contrast with the practice in Canada. In the United Kingdom it is the responsibility of the

1. Canada, House of Commons Debates, 1956, p.1653.

2. Canada, House of Commons Debates, 1956, p.1675.

Committee on Estimates to decide what departments it is going to consider. In actual practice this business of selecting the departments is referred to a Steering Committee which is composed of the Chairman, the Chairman of all the sub-committees, and two or three senior members of the Committee. The opposition is also represented in this committee and therefore it has full scope in the choice of estimates to be examined. This Steering Committee submits its report to the Full committee where the decisions are taken in the light of these recommendations.¹ While making this decision the committee is not required to inform either the department concerned or the government. Thus the Committee descends without any warning on the department concerned and asks the departmental officials to tell the committee what they had in mind when they requested particular sums. From these facts it is obvious that the British Committee on Estimates enjoys wide powers with respect to the selection of the departments.

However, in Canada, a change with regard to the policy of selection of the departments became apparent in 1958, when the Prime Minister, Mr. Diefenbaker asked the Leader of the Opposition, Mr. Pearson, if he wanted to make any suggestion as to what department should be considered by this Committee.² In the same year the Committee on Estimates made a remarkable achievement when for the first time it recommended to the House that its Order of Reference

1. See Appendix.

2. Canada, House of Commons Debates, 1958, p.682.

be enlarged to enable the Committee to consider certain Items relating to the Department of Defence Production.¹ Prior to this recommendation the Committee had considered the Department of National Defence, and during the discussions the members of the Committee frequently asked questions dealing with the Department of Defence Production. Consequently, the Committee recommended to the House that it should be allowed to consider the estimates of the Department of Defence Production. Since this time the Committee has followed the practice of selecting the departments it likes to examine. However, it should be noted that the Committee has no explicit authority to do so. As the Chairman of this Committee, Mr. A. Smith, remarked:

"For your information, I have cleared with the house leader in regard to the principle of our making recommendations to the government. He suggested to us that since this is the pattern we have followed, we should continue to follow it in the same manner. Of course, the government has every right to act as it wishes, but it is purely a matter of indicating our desire."²

The Departmental Estimates are brought before the Committee in a regular rotation. The original intention of the government was that in a few years time the Committee would be able to review the estimates of all the departments.³ However, in the last six years the Committee has twice considered the estimates of the Department of National Revenue and the Department of National Health and Welfare.

The table given below shows the work of this Committee in the last six years.

1. Evidence, 1958, p.286.

2. Evidence, 1959, p.223.

3. Canada, House of Commons Debates, 1956, p.1041.

ANALYSIS OF THE COMMITTEE ON ESTIMATES AT WORK¹

Year	Department Reviewed	No. of Sitzings	No. of Reports Submitted	Recorded Proceedings	No. of Witnesses Appeared
1955	Department of Citizenship and Immigration, Northern Affairs and National Resources, Veterans Affairs, and Finance.	36	5	927 pages	64
1956	Department of National Health and Welfare, Labour, National Revenue, and Post Office.	39	6	919 pages	52
1957	Department of Justice and Mounted Police	5	3	132 pages	6
1958	Department of National Defence, and Defence Production	25	5	599 pages	23
1959	Department of National Revenue, Secretary of State and Civil Service Commission	27	5	519 pages	19
1960	National Health and Welfare	20	2	525 pages	18
1961	No.	No	1	No	No

1. This table is prepared from the Minutes of Proceedings and Evidence of the Special Committee on Estimates (1955 to '57) and the Standing Committee on Estimates (1958 to 1960).

The Canadian Committee on Estimates is not empowered to appoint sub-committees. There is however a Sub-Committee on Agenda and Procedure which is primarily concerned with procedural matters. It should be noted that this sub-committee does not conduct any independent investigation of the estimates. The original intention of the government was that the Estimates Committee in Canada should function as a unit, which according to Prof. Chubb, is notoriously wasteful of manpower and keeps down the capacity for work. On the other hand, the British Committee on Estimates is fully equipped with an elaborate and efficient system of sub-committees. The sub-committees are designated simply "A", "B", "C", "D", "E". In 1960 the size of the British Committee on Estimates was increased from 36 members to 43, in order that it might have six sub-committees instead of five. While introducing this change Mr. Butler remarked, that it was hoped that one of these sub-committees would examine the Spring Supplementary Estimates before they were presented to the Committee of Supply.¹

In the United Kingdom six sub-committees are appointed at the beginning of each session; each sub-committee has seven members including the Chairman of the full Committee. The full Committee decides which estimates each sub-committee will examine. Furthermore, it is the responsibility of the full Committee to decide who will be the chairman and members of a particular sub-committee. Once these sub-committees are appointed, they conduct their independent investigation and report to the full committee after they have concluded the

1. Peter Bromhead, "The British Constitution in 1960", Parliamentary Affairs, Vol. 14, 1960-61, p.153.

examination of the estimates submitted to them. The full Committee may adopt or reject the recommendations of the sub-committees. The relation between the sub-committees and full committee is similar to that of the House and other Committees of the House. These sub-committees, which are empowered to move from place to place and to send for persons, papers and records, are very effective units for conducting on-the-spot investigations.¹ In fact, they have conducted a large number of on-the-spot investigations, and on various occasions they have gone abroad to do so.

In Canada, the Minister of Finance, Mr. Harris, made it quite clear that it was not the intention of the government that this Committee should visit various places. He said:

"Nevertheless we never did expect - at least I do not think any one expected - that we would have a Committee which would travel throughout Canada, take evidence from sundry people and publish a report months after the estimates were placed before Parliament."²

The Estimates Committee in Canada always sits as a full Committee. In the United Kingdom the meetings of the full Committee are less frequent and shorter. In fact, the full Committee meets only when it appoints the sub-committees at the beginning of each session, and later when it considers their reports.

Questions of policy are beyond the scope of the British as well as the Canadian Committee on Estimates. In 1955 when this Committee was appointed the government made it quite clear that

1. This information about the British sub-committees is based on the "Letter to Mr. Fleming" and Professor Chubb's, The Control of Public Expenditure, pp.212-224.

2. Canada, House of Commons Debates, 1956, p.1691.

questions of policy are not the concern of this committee. Again in 1958 Prime Minister Diefenbaker remarked:

"The only forbidden field, and it must remain so, will be that of government policy. Beyond that and within those limitations which are of the essence of Constitutional government under our system, we want this Committee when it is set up to apply itself in such a way that whenever there is anything wrong, whenever there is extravagance revealed, whenever there are improprieties, that would otherwise remain concealed, the committee will make its recommendations without regard to any other consideration than the welfare of the country."¹

Although the Committee is forbidden to question the policy of the Government it is not debarred from conducting investigations in order to understand what the policy of the government is.² Members of this Committee have frequently asked questions about the policy of the government, but the purpose in doing so has been to find out if government policy had been carried out as originally promised. In 1955, a member of this Committee questioned the policy of the government with regard to the Department of Citizenship and Immigration. On this, Mr. Pickersgill pointed out that, "it happens to be the policy of the government and so far as I am concerned I am carrying it out".³ However, such remarks are very rare in the Minutes of Proceedings and Evidence. Whenever the question of policy arose in the Committee the Minister concerned was very accommodating and he tried to explain various implications involved in the departmental policy. The main difficulty arises from the fact that questions of policy and questions of economy

1. Canada, House of Commons Debates, 1958, p.681.

2. Evidence, 1960, p.56.

3. Evidence, 1955, p.47.

are fundamentally of the same substance. The Estimates Committee was confronted with this problem, as it pointed out in its report, that, "the line of demarcation which separates matters purely of policy as compared with those votes where an economy may be affected, is sometimes difficult to define".¹

As Lord Campion says, "economy leads to questions of efficiency and questions of efficiency merge into questions of policy".² Because of this difficulty the Estimates Committee in Canada has made recommendations with strong policy implications. For instance, in its Fifth Report of 1958 the Committee brought to the notice of the House an item representing approximately \$175,000,000 and expressed its concern at the government's entering into any subsequent weapons program of this magnitude without first negotiating some cost-sharing agreement.³ In the same report the Committee also recommended that the government should give consideration to replacing outdated elementary and intermediate aircraft with primary jet trainers. The Second Report of 1960 recommends, "that every effort should be made to prevail on the local authorities to ascertain whether a policy involving any form of restrictions or discrimination places hardship on either patient or non-staff doctors".⁴ It is obvious from this recommendation that it involves direct federal intervention in an area which is within the exclusive jurisdiction of the Provinces. This and various other reports of the Committee show beyond doubt that it has made recommendations with strong policy implications. Therefore, it can be said

1. Evidence, Fifth Report, 1958, p.590.

2. A.H. Hanson, "The Select Committee on Estimates", Yorkshire Bulletin of Economic and Social Research, Vol. 34, 1951, p.113.

3. Evidence, Fifth Report, 1958, p.590.

4. Evidence, Second Report, 1960, p.519.

that in this respect the Committee cannot be restricted by its terms of reference.

However, it should be noted that the Committee on Estimates does not possess any direct power other than to call witnesses and to examine the estimates. Its powers are primarily indirect, and to a great extent it lies in the reports that it submits to the House. In actual practice its power lies in the publicity which it can give to the department it has investigated, and it is because of its criticism that it possesses a great deterring effect on the department concerned.

CHAPTER V
FUNCTIONS OF THE ESTIMATES COMMITTEE

The Orders of Reference of the Estimates Committee in Canada authorizes it only to consider the estimates referred to it and then to report its observations to the House. This does not give sufficient indication as to the purpose of considering these estimates. The terms of reference of the British Committee on Estimates explicitly state that the purpose of the examination is to recommend economies consistent with the policy of the government. These terms are similar to those given to the Canadian Committee on War Expenditures appointed during war time.¹ In 1955, when the Special Committee on Estimates was set up there was a good deal of difference of opinion as to what would be the functions of this Committee. As Mr. Harris remarked: "The whole question seems to resolve itself into divided opinions as to what the Committee would do and what it might add to the deliberations of the Committee of Supply."² It was suggested by some members of the House that the Committee should perform functions similar to the Committee at Westminster, while others suggested that it should act as a miniature of the Committee of Supply. The government believed that essentially it would be a miniature of the Committee of Supply, but it was not clear as to what functions it would perform.³ Probably this is the reason that the Committee was set up only on an experimental basis. Speaking on the motion to appoint this Committee, Mr. Harris

1. Canada, House of Commons Debates, 1941, p.1218.

2. Canada, House of Commons Debates, 1955, p.938.

3. Canada, House of Commons Debates, 1955, pp.937-940.

remarked:

"The government hopes that the result of the experiment will be two-fold at least. It hopes first, as I have said, that there will be more intelligent criticism of government policy based on greater information in the hands of a member who wishes to make a particular study of a subject in which he is interested, and, second, that there will be less time taken in the Committee of Supply on the details than there is now taken in that."¹

From its Minutes of Proceedings and Evidence it would appear that the Canadian Committee has performed the following three functions:

- (1) To Scrutinize the Estimates.
- (2) To Recommend Economies.
- (3) To Encourage Intelligent Criticism in the Committee of Supply.

(1) To Scrutinize the Estimates.

This is one of the most important functions of the Committee on Estimates. There is no limit on the power of this Committee so far as the scrutiny of the estimates is concerned. It can examine the estimates in whatever way it likes. The consideration of the estimates mainly provides a starting point for a great number of investigations both of departmental policy and administrative efficiency. The fact that it is called the Committee on Estimates does not mean that it cannot consider other aspects of the department. As Professor Hanson said, with regard to the British Committee on Estimates: "Indeed the fact that its investigations are associated with an examination of estimates may be regarded as an historical accident, for there is no

1. Canada, House of Commons Debates, 1941, p.1218.

inherent reason why the Committee should not begin its flight from a different base."¹

The Estimates Committee in Canada has conducted three types of investigation. Firstly, it examines the administrative operations of the department. It usually begins its examination after the minister concerned has concluded the introductory statement about his department. According to the procedure of the Committee, at this stage the members are not allowed to ask questions regarding the details of the estimates.² As a result, the questions are primarily concerned with the administrative operations of the department. It is interesting to note that when the Committee is considering this particular aspect of the department, it does not at all resemble a body appointed to consider the estimates. In order to understand the exact nature of the investigation of the departmental operations, it is necessary to quote a set of typical questions which the members usually ask. To take an example from the Department of Finance which was considered by this Committee in 1955, the members directed the following questions to the Minister of Finance and the other departmental officials present in the Committee.

- (1) Mr. Macdonnell - "Would the minister or whoever he may designate, describe to us in some detail, the way the estimates are made up, and the way in which the Department of Finance deals with the other departments?"
- (2) "I am assuming that it is extremely difficult for for Treasury Board to go into very much detail in case of each department. Therefore, I would ask the Minister to indicate to us in some detail the nature of that preparatory work conducted with what he called the opposite number."

1. A.H. Hanson, "The Select Committee on Estimates", p.115.

2. Evidence, 1959, p.265.

- (3) "I would like to be told something more about the operations of the Treasury Board. I would like to know what happens at these Treasury Board meetings."
- (4) Mr. Monteith - "Mr. Chairman, I would just like to ask a question on the mechanics of the preparation of the departmental estimates. What is the starting point and how is it worked up from there?"
- (5) Mr. Nesbitt - "To follow up the questions asked by the hon. member for Greenwood (Mr. Macdonnell) - perhaps I can make my meaning clear by using an example. Let us, for instance, say that the Minister of Agriculture presents his estimates before the Treasury Board. Perhaps the Minister of Finance could tell us what actually happens in practice. Are those estimates examined by the Minister of Finance's expert or by the members of the Treasury Board?"
- (6) Mr. Argue - "Can you give the Committee some idea of the technical people who are usually present at a Treasury Board meeting? Is the deputy Minister of Finance usually present?"
- (7) Mr. Macdonnell - "I am still not quite clear where the initiative lies. We have been told about senior officials who I take it are part of the Finance Department set-up, who really have special responsibilities in connection with the scrutinizing of estimates. Would one of these officials be quite free to initiate just on his own?"¹
- (8) Mr. Deschatelets - "I have been asked several times who determines the value of our dollar which sometimes is worth so much, and the day after, so much. Who decides that?"²

In answer to the last question, the Minister of Finance, Mr. Harris, said: "I think maybe I should ask my deputy minister to give you an abbreviated lecture on this subject sometime as to the operation of the free money market". The Minutes of Proceedings and Evidence of this Committee are filled with the type of questions stated

1. Evidence, 1955, pp.891-897.

2. Evidence, 1955, p.917.

above. It is obvious from the very nature of these questions that they are entirely divorced from the consideration of the estimates. In fact, they are similar to those which a student of Political Science would ask in a Seminar which is entirely devoted to the administration of finance in Canada. However, this is not a useless inquiry. On the contrary, it serves a very useful purpose. Firstly, it enables the members to understand the estimates better. Without such inquiry it would be impossible for the member to examine the estimates effectively. Secondly, it helps the members to form a clear picture of the working of various branches of the department, and the mode in which the money they require is going to be spent. Furthermore, it enables the members to determine the department's efficiency. To improve efficiency within a department may be regarded as one of the functions of this committee.

After the Committee has concluded its examination of various operations of the department, it turns to consider the details of the estimates. When this Committee was appointed, it was believed that its essential purpose would be to examine the details of the estimates. As Mr. Fulton remarked: "I think, it is important that we should keep before us the main function which this Committee can do and should serve, and that is to deal with the details".¹ Each member of this Committee is provided with a printed copy of the estimates which describe in full detail the expenditure of the department in relation to a particular service. The form in which the estimates are described in the Estimates Book enable the members to determine any increase or decrease in the estimates as compared to the last year. Further information is provided at the back of the Estimates Book.

L. Canada, House of Commons Debates, 1956, p.1043.

The exact form in which the estimates are submitted to this Committee is given below.¹

No. of Votes	Service	Details on Page No.	1955-56	1954-55	Compared with Estimates of 1954-55	
					Increase	Decrease
			\$	\$	\$	\$
81	NATIONAL GALLERY OF CANADA Administration, Operation and Maintenance, including Industrial Design Division	161	250,808	252,185	1,377
82	Payment to the National Gallery Purchase Accounts for the purpose of acquiring works of art, in conformity with Section 8 of the National Gallery Act	163	130,000	130,000		
83	Grant to Royal Canadian Academy of Art	163	4,025	4,025		
			384,833	386,210	1,377

1. Evidence, 1955, p.207.

The estimates are examined item by item. Any number of questions can be asked on a particular item under consideration. Usually questions concerning details are answered by departmental officials who appear before the Committee as witnesses. If the information is not available, it is supplied to the Committee on some other day. Once any item is agreed to, the Committee turns to discuss the other items. In general, the Committee has shown great concern over any increase or decrease in the estimates, and also in the appointment of new personnel. The Minister concerned and his officials must justify any abnormalities in the estimates. A good deal of the time of this Committee is spent in considering such issues. It is surprising to see from the Minutes of Proceedings and Evidence of this Committee how much of its time is spent in the discussion of trivial matters, such as the pay of a chauffeur to the Canadian Attache in Moscow, the duties of a gardener in winter, and the duties of a caretaker on a dockyard. It is interesting to note that such inquiries are quite in order. As the Chairman of this Committee, Mr. Smith, remarked: "I think the responsibility of this Committee is to examine the estimates as minutely as it sees fit, and my part is only to encourage as free a discussion as possible".¹

The members of the opposition have generally shown a great interest in the scrutiny of the estimates. As a rule the control over expenditure, scrutiny and the criticism of the estimates is regarded as an important duty of the opposition. As Mr. Fleming said in 1956:

1. Evidence, 1958, p.111.

"In these Committees, in the case of the Public Accounts Committee, in the case of the Estimates Committee, indeed in the case of a good many other Committees, it is the opposition members on those Committees who do the work. Government members as a rule are not interested in probing into expenditures or estimates. It is left upon the members of opposition to do that investigatory work."¹

Thirdly, the Committee on Estimates has conducted on-the-spot investigations though only on rare occasions. In the last six years the Committee has visited two places, the defence installations at St. Hubert and the Avro plant at Malton, Ontario. When the Committee visited these places it divided itself into small groups. Each group was accompanied by a helpful guide who explained to the members various projects and answered their questions. The Committee was authorized to hold its meetings at Malton, Ontario.² However, to conduct on-the-spot investigations cannot be regarded as an essential function of this Committee, first, because it was not appointed for this purpose, and secondly, because its large size makes it more difficult for the Committee to move about.

(2) To Recommend Economies.

The Orders of Reference of this Committee do not explicitly state that the Committee has the power to recommend economies. However, the basic assumption of this Committee is, that it is appointed to strengthen Parliamentary Control over finance, and one way of doing this is to recommend economies. When the Committee was appointed, it was made clear that to recommend economies is one of its functions.

1. Canada, House of Commons Debates, 1956, pp.1652-53.

2. Evidence, 1958, p.459.

Furthermore, it was described as a dollars and cents Committee.¹ The Orders of Reference of the British Committee on Estimates are more explicit in this respect, and it says that the Committee should recommend economies consistent with the policy of the government. However, this does not mean that the Committee should suggest reductions in the estimates of a particular department. In fact, the British Committee on Estimates is not called upon to achieve reductions in the current estimates.² Moreover, the Committee of Supply does not have to wait for the reports of this Committee in order to pass the estimates.³ Therefore, the recommendations of the British Committee on Estimates cannot have any effect on the current estimates.

"None of their recommendations can have any effect on the current estimates. Indeed they never make a recommendation that such and such a sum voted for a particular purpose should be reduced. Their recommendations nearly always take the form of suggestions for better administration, so that either less money may be needed for the same purpose in future or that the country will get better value for the money which is spent."⁴

Thus it is clear that the British Committee on Estimates is not called upon to approve or disapprove the estimates. In this respect the Canadian Committee on Estimates differs radically. In Canada, the Committee is supposed to be a miniature of the Committee of Supply, and therefore it is required to act in accordance to the practices of the Committee of Supply.⁵ This implies that the Committee can approve or disapprove the estimates submitted to it for its

1. Canada, House of Commons Debates, 1955, p.971.

2. See Appendix.

3. Wheare, Government by Committee, p.231.

4. See Appendix.

5. Canada, House of Commons Debates, 1955, p.939.

consideration. The reports of the Committee stand as evidence to this fact. In the last six years the Committee has stated in all its reports that it has considered and approved the estimates of such and such a department. This means that the Committee can disapprove the estimates, if in its opinion the department is asking for more money than it required. The Chairman of this Committee, Mr. Smith, made it quite clear when he said:

"Our powers are such that we cannot as a Committee expend money. This is the exclusive privilege of the House. But I am advised that we can make any recommendation in our report as to any particular item or area of a department. Then that recommendation is considered by the House and the House decides what will be done with the estimates."¹

Therefore, the Committee can express approval or disapproval in its reports, as well as draw conclusions in the form of findings. In the last six years, on two occasions attempts were made in this Committee to bring about reduction in the current estimates. Firstly, in 1955, Mr. Monteith moved that the estimates of the Immigration Branch of the Department of Citizenship and Immigration, which amounted to \$887,420,500 should be reduced by \$44,371,000. After a considerable discussion the motion was defeated by 7 votes to 4.² Again in 1956 Mr. Fleming introduced a motion which required that the estimates of the Department of National Health and Welfare, dealing with the educational and informational publications and educational and informational material other than publications, should be reduced by \$1,000,000. Speaking on this motion Mr. Fleming remarked:

1. Evidence, 1958, p.119.

2. Evidence, 1955, p.323.

"I am demonstrating the sincerity of the observations I have made and the good sense of them in relation to the duty of this Committee to see that the budgeting is accurate, and that the reasonable needs of the departments are endorsed, and that when the department is found to be asking for more money than it is going to require, after we have heard the evidence on the point, then the Committee ought not to report the item approved."¹

Although this motion like the other one was rejected, the Chairman of the Committee pointed out that it was quite in order. Again in 1958, with regard to such motions, Mr. Smith said: "That is the Committee's charge and responsibility. If they see any particular area which they wish to have reduced, a motion is then in order and it would be included in our reports, assuming it was endorsed by the Committee".²

So far the Committee has not been able to achieve reductions in the current estimates. Some members have expressed their concern on its inability to do so. As Mr. Hales remarked:

"I am trying to figure out what is the value of this Committee, if we do not do such a thing. So far we have asked some questions and received some answers, but I have not seen one nickel cut off these estimates."³

The intrinsic purpose and the position of this Committee in the Constitutional set-up of the country dictates that it should not aim at achieving direct cuts in the estimates, for it is the responsibility of the Committee of Supply and primarily of the executive. To recommend economies is one of the functions of this Committee, but this does not mean that it can do so only by achieving reductions in

1. Evidence, 1956, p.253.

2. Evidence, 1958, p.120.

3. Evidence, 1958, p.120.

the current estimates. Therefore, the Committee should avoid making recommendations to the House which require that the estimates of a particular department be reduced by a specific amount. However, when the Committee sees that a particular department is asking for more money than it requires, it is the duty of the Committee to report to the House that in its opinion the estimates are not properly budgeted. It need not recommend that it should be reduced, for it is the responsibility of the House to decide. The usefulness of this Committee primarily depends upon its reports, in which it emphasizes better administration of the department so that in future the country will get better value from the money which is spent. To sum up, the purpose of this Committee is to ensure, firstly, that every dollar that a department spends is accounted for, and secondly, that every abnormality within the estimates and the functions of the department is brought to the notice of the House of Commons.

(3) To Encourage Intelligent Criticism in the Committee of Supply.

In this respect also the Committee in Canada differs from the British Committee on Estimates. In the United Kingdom, the Committee does not function in order to improve the standard of discussion or criticism in the Committee of Supply.¹ The Canadian Committee on Estimates, on the other hand, was set up primarily for the purpose of encouraging intelligent criticism in the Committee of Supply. The

1. In the United Kingdom there is no requirement that the reports of this Committee should be considered and either adopted or rejected. Furthermore, the Committee of Supply does not have to wait for the reports of this Committee in order to consider these estimates. See Wheare, Government by Committee, p.231.

Committee has served this purpose in two ways, firstly, by saving the time of the Committee of Supply, and secondly, by providing valuable information to its members. In fact, during the early days when the idea of this Committee was quite new in Canada, most members of the House thought that the essential purpose of this Committee would be to save the time of the Committee of Supply. As Mr. King remarked in 1930, that, "we believe a great deal of time might be saved if the estimates went before either a select Committee or a special Committee for the purpose, and were considered there".¹ Again in 1955, when this Committee was appointed, it was made clear by the government that one of its functions was to save the time of the Committee of Supply.² After the House had experimented with this Committee for one year, it was observed that the Committee did not cut down the time of consideration of the estimates. However, Mr. Harris pointed out that it was not the only reason for its appointment.³ Again in 1957, Mr. Harris remarked:

"The result has been that we have had a longer discussion in the House in connection with every department which has gone to the Estimates Committee than we had the last time that department was considered in the Committee of Supply."⁴

It was recognized, however, even by the opposition, that the discussions in the Committee of Supply were better informed as a result of information made available by the Estimates Committee.⁵ During the

1. Canada, House of Commons Debates, 1930, p.530.

2. Canada, House of Commons Debates, 1955, p.940.

3. Canada, House of Commons Debates, 1956, p.1041.

4. Canada, House of Commons Debates, 1957, p.1663.

5. Canada, House of Commons Debates, 1957, p.1667.

first three years it did not save the time of the Committee of Supply. Prof. Fox is of the opinion that it was not possible to do so, because the critics of the Committee who were frustrated with its work raised their questions again in the Committee of Supply.¹

From 1958 onward the Committee on Estimates was to some extent effective in saving the time of the Committee of Supply. This can be shown from the various remarks made by the members in the Committee of Supply. In 1959 the Minister of National Revenue while introducing his department in the Committee of Supply remarked that he had no intention of making a lengthy statement because the Committee on Estimates had already spent several days in discussing it. The Leader of the Opposition, Mr. Pearson, agreed to this fact and said that it would be unnecessary to devote any more time to these estimates.² Consequently, various items were passed without any discussion at all. Mr. Pearson made another observation from which it is quite clear that the Committee had been successful in reducing the time of consideration of the estimates. He remarked:

"Mr. Chairman, I have no question to ask under this item, but since it is the last item of this department I think it should perhaps be put on the record that in the last hour or so we have passed estimates amounting to almost \$1,750 million. The reason that we have been able to pass these estimates with such speed should be made clear on the record of the Hansard. These estimates have been previously examined by a Committee which has worked many hours going into them in detail; otherwise, I am sure, Mr. Chairman, we would not have been able to get them so quickly. Perhaps that should be on Hansard."³

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1. Prof. Paul W. Fox, "Canada - A New Parliament with New Rules", Parliamentary Affairs, Vol. 10, 1956-57, p.402.
 2. Canada, House of Commons Debates, 1959, p.6299.
 3. Canada, House of Commons Debates, 1958, pp.3242-43.

Although on various occasions the Committee was able to cut down the time of consideration of the estimates, it cannot be taken as an accepted pattern. There are cases which show the contrary result.¹ For example, in 1960 the Committee on Estimates considered the Department of National Health and Welfare. It had 18 sittings, 18 different witnesses appeared, and it recorded 525 pages of Minutes of Proceedings and Evidence. When this department went before the Committee of Supply it recorded 103 pages of Hansard. Two years prior to this when the same department went straight to the Committee of Supply, it recorded 47 pages of Hansard. This fact clearly shows that it does not always save the time of the Committee of Supply. In fact, to save the time of the Committee of Supply was never regarded as the primary function of this Committee.² It is just a matter of coincidence that on certain occasions it was able to save time. The chief function of this Committee is to enable the Committee of Supply to perform its functions of control over finance more effectively and efficiently. This is done by providing a great stock of information to the Committee of Supply. The studies that take place in the Estimates Committee are of an educational nature, thus enabling the members to understand the policy of the government as well as the technicalities involved in the estimates. As a result, the members can criticize constructively and more effectively. Another effect of the Estimates Committee has been that the members of the Committee of Supply do not discuss the details

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1. Prof. Norman Ward is of the opinion that this committee cannot save the time of the House. He writes in his recent book, The Public Purse, that, "the saving of time, on the basis of record so far, seems not only unlikely, but to be based on an assumption of dubious validity: ...", Norman Ward, The Public Purse, 1962, p.277.
 2. Canada, House of Commons Debates, 1956, p.1041.

of the estimates. Instead they devote all their time in considering the policy of the government and the departmental efficiency.

In 1958 the Committee decided that in future, with the approval of the Chairman, all the documents and information presented to this Committee as evidence would be printed in the record of this Committee.¹ This further enriches the stock of information which it collects. Since 1958, a great number of charts indicating functions and structural organization of the departments and other statistical data have appeared in the records of this Committee. Thus the chief result of this Committee has been that it provided to the House such information which might otherwise have never appeared before the House.

To sum up, in this respect the functions of the Committee on Estimates are similar to a Research Laboratory where experiments are conducted and the information collected thereby is transmitted elsewhere to be utilized. In the same way this Committee collects valuable information which is utilized in the Committee of Supply to strengthen Parliamentary control over the spending of public moneys.

1. Evidence, 1958, p.191.

CHAPTER VI

EFFECTIVENESS OF THE ESTIMATES COMMITTEE

How useful is this Committee? What position could it occupy within the Parliamentary structure of Canada? These questions cannot be easily answered. Firstly, the Committee was appointed only in 1955 and therefore it is still in a stage of infancy. In the last few years a great number of changes have been introduced in this Committee and some changes are still due. The original intention of the government was that the Committee should act as a miniature of the Committee of Supply. But as a result of a great many changes made within this Committee, it is no longer possible to call it a miniature of the Committee of Supply. Firstly, the minister whose department is considered by this Committee is no longer a member of the Committee. Since 1958 the minister concerned has always appeared before the Committee as a witness. On the other hand, the minister is always the member of the Committee of Supply by definition. Secondly, the Committee of Supply can neither hear evidence nor can it cross-examine the witnesses, whereas the Committee on Estimates is empowered to do so. Furthermore, the Estimates Committee functions in a court-room-like atmosphere and there is a frequent exchange of questions and answers between the members of the Committee and the departmental officials. This practice is not allowed in the Committee of Supply. Thirdly, if it were really a miniature of the Committee of Supply, then there would be no need for the Committee of Supply to consider the estimates which have already been examined by this Committee. Therefore, the standing

Committee on Estimates cannot be called a miniature of the Committee of Supply.

Another difficulty in the way of assessing its effectiveness lies in the fact that, in the last few years, the Committee has not been very active. In 1958 it examined the estimates of two departments; in 1959 three departments; in 1960 one department, and in 1961 it did not function at all. The estimates of approximately 34 different departments are submitted to the Committee of Supply each year. In other words, in the last four years, out of the estimates of 136 departments the Committee on Estimates examined only six departments. From this fact it is obvious that even if this Committee did a very good job, it is difficult to determine the extent to which it has strengthened the control of Parliament over finance.

The factors which have impaired the effectiveness of this Committee can also be mentioned here. Firstly, in 1955 when this Committee was set up, the Government decided it should function as a unit. In other words, it was not empowered to set up sub-committees of its own. According to Prof. Chubb, the chief reason for the success and efficiency of the British Committee on Estimates lies in its sub-committee system. He summed up his views in the following words:

"Summing up, it can be said that the comparative success of the Expenditure Committee and the present Estimates Committee has been due in a large degree to the intelligent use made of sub-committees. The sub-committee has proved to be the most useful sized unit for select committee inquiry into administrative action. Committees using a system of sub-committees are superior in number of meetings, in number of witnesses who can be examined, and in standard of questioning. They are flexible, and experience has shown that sub-committee work can be adequately co-ordinated."¹

1. Chubb, The Control of Public Expenditure, p.223.

In Canada, during the war the War Expenditure Committee was organized into various Sub-Committees. But in 1955 when the Committee on Estimates was appointed the Government did not make use of the valuable experience gained by that Committee. However, from the experience of the British Committee on Estimates it is clear that a small group can conduct inquiries more efficiently as compared to a large group. As Prof. Chubb remarked, "a full Committee meeting is notoriously wasteful of manpower and keeps down the capacity for work".¹ This is particularly true in the case of Canada where the Committee has reached the unmanageable size of 60 members. The chief disadvantage of a Committee of such a large size is that a great deal of time is wasted in discussing preliminary and unnecessary things. Furthermore, the members of such a large Committee do not feel the same responsibility and a sense of belonging that they would feel in a small group. Therefore, in order to do effective work it is essential that it should not have more than twenty members and its membership must be permanent rather than rotatory. Continuity of personnel is very important if the members are to become familiar with the technique of its work. However, the Government has no serious objection to reducing the size of this Committee. As Prime Minister Diefenbaker remarked:

"As far as I am concerned there is nothing particularly binding about the size of this Committee, but I felt it should be large enough to permit to appoint sub-committees in respect of particular subjects if it so desired ..."²

Another handicap of this Committee is that it is not provided

1. Chubb, The Control of Public Expenditure, p.213.

2. Canada, House of Commons Debates, 1958, p.701.

with any clerical or expert assistance. The staff of this Committee consists of one clerk to arrange and record its proceedings and to perform the secretarial functions. The work of this Committee is no less complicated than the Public Accounts Committee, nor is it of less importance in maintaining Parliamentary control over finance. The Public Accounts Committee is provided with the valuable expert assistance of the Comptroller of the Treasury and the Auditor General and his staff. The Estimates Committee on the other hand has no assistance whatsoever.

In 1918, the Estimates Committee of the United Kingdom was faced with similar problems. However, it was suggested that an office of the Examiner of Estimates should be established who would be an officer of the House of Commons, similar to the Comptroller and the Auditor General.¹ This proposal was rejected by the Government, and furthermore, it did not appoint any Committee on Estimates in 1919. Again in 1921, an informal Committee of the members advised the Chancellor of the Exchequer that an Estimates Committee should be appointed and that:

"there should be attached to the Committee an experienced member of the staff of the House of Commons, whose function it would be to prepare material for the Committee's deliberations and to render advice and assistance to the Committee and the Chairman in particular. Being a servant of the House of Commons this official would occupy an independent position in relation to Ministers."²

This was essentially a proposal for an efficient secretariat, but the Government ignored it again. However, the Estimates Committee was appointed in 1921, though without any special assistance. In 1927,

1. Wheare, Government by Committee, p.222.

2. Ibid.

a Treasury official was attached to this Committee in order to attend to its needs. From 1927 to 1939, there was no change in the structure of this Committee. Prof. Chubb is of the opinion that there was a general agreement throughout this period that the Committee was not very effective.¹ In 1939 the Estimates Committee was replaced by the War Expenditures Committee, and during the war about eleven clerks were employed to assist this Committee. With regard to the usefulness of these clerks, one official of the Committee said:

"They are people we could get hold of and who seemed to have suitable qualifications and they were extremely useful We did appoint two economists; I think it is important that I should develop that, because it was pressed on us that we should have people with economic knowledge. The men we appointed were extremely valuable to us, because they happened to be good men with clear minds, but their economic knowledge was practically never used at all because it was not wanted."²

These remarks essentially imply that what is required for this Committee is not expert assistance, but assistance. After the war the Estimates Committee was set up. It inherited from its predecessor very valuable experience and an efficient organisation. Since 1945, the Estimates Committee in the United Kingdom has been assisted by a Clerk of Financial Committees, under whom is placed a small body of clerks. Prof. Wheare is of the opinion that there is no doubt that this small body of clerks who were described as "House-trained clerks" has made it possible for the Estimates Committee to do a very useful and efficient job.³ Thus, according to Prof. Chubb and Prof. Wheare, the chief reasons for the success of the British Committee on Estimates

1. Chubb, p.129.

2. Wheare, p.226.

3. Ibid.

lies in its efficient organization of sub-committees and the assistance provided by the so-called "House-trained clerks".

The Estimates Committee in Canada must follow the practice of the British Committee in order to do an effective job. In fact, Mr. Diefenbaker himself pointed out in 1956, that:

"We suggest that the Estimates Committee should be empowered to do these things which the Committee in the United Kingdom has discharged now for some 45 years. It is an effective job that the United Kingdom Committee has performed. It has made examinations year by year; it has investigated various departments of government without notice in advance."¹

Therefore, the Committee must employ a small body of Research Assistants whose job it would be to collect such information which would enable the members to conduct a thorough investigation of the estimates and the departmental efficiency.

The Estimates Committee in Canada is not empowered to select the department it prefers to examine. Of course, in the actual practice, since 1958 the Committee has selected the department itself and then reported to the House, in the form of recommendation that it should be allowed to consider the estimates of a particular department. But the ultimate power of selecting the department rests with the government. As the Chairman of this Committee, Mr. Arthur Smith, said: "Of course, the government has every right to act as it wishes, but it is purely a matter of indicating our desire."² The British Committee, in this respect, has full power to act as it wishes.³ The main advantage of

1. Canada, House of Commons Debates, 1956, p.1656.

2. Evidence, 1959, p.223.

3. See Appendix.

this practice is that it has a deterring effect on the department. As Durell says, "the expectation of criticism of the expenditure tends to moderate the enthusiasm of those spending the money and also makes them more careful".¹

Another factor which is worth mentioning here is concerned with the indexing of the Minutes of Proceedings and Evidence. The usefulness of this Committee, more than any other Committee, depends upon the extent to which they are read by the members of the House of Commons. The records of this Committee contain very valuable information. Unfortunately it is scattered over thousands of pages, which makes it extremely difficult to find the required information. This difficulty was realized by the members even in the first year of this Committee. As Mr. Pickersgill said: "I was looking for the page number, but like the hon. gentleman, I cannot find it. I quite agree with him on this point. I do agree that we need an index to these minutes."² Therefore, it is essential that the task of indexing the Minutes of Proceedings and Evidence ought to be undertaken before it goes beyond one's control.

However, the effectiveness of this Committee can be determined by its effect on the department it investigates, its effect on the Committee of Supply, and finally, by the effectiveness of the reports that it submits to the House of Commons.

As far as its effects on the department are concerned, Prof. Wheare points out that it has been argued that: "What can there be to discover that the Treasury has not already discovered? Or, in

1. Durell, Parliamentary Grants, p.96.

2. Canada, House of Commons Debates, 1955, p.3546.

another form, who can discover something, if the Treasury has not or cannot."¹ The basic falsity of this argument is that it over-emphasizes the infallibility of the Treasury Board. Secondly, it ignores the fundamental difference that exists between the Treasury Board and the Committee of the House appointed to scrutinize the estimates. The Estimates Committee, unlike the Treasury Board, consists of the members of the Opposition Parties as well. Some of them are bitter critics of Government policy who are always on the alert to throw light on the black spots. The officials of the department realize perfectly well that it is one thing to appear before the Treasury Board, but it is entirely another matter to appear before a body of what Prof. Wheare describes as "critical and uninstructed laymen". The Estimates Committee has unchallenged right to examine any of the officials within the department, and this fact has a special deterring effect on them. It is possible to say that this Committee does not create that wholesome fear which the officials usually feel when they are summoned before the Public Accounts Committee. But there is no doubt that it makes the officials ultra-cautious, which is likely to stimulate efficiency within the department. To what extent it has improved the efficiency of a department, it is difficult to determine without an exclusive study of each department that the Committee has investigated. But the fact that the estimates were examined by a Committee of the House and recorded evidence made available to the members of the House, is sufficient in itself so far as Parliamentary control over the department is concerned.

1. Wheare, Government by Committee, pp.235-36.

As Prof. A.H. Hanson writes about the British Committee on Estimates:

"The Estimates Committee has nevertheless made a contribution to Parliamentary government which one hopes will become increasingly evident as time goes on. The effectiveness of Parliamentary control depends, to a very large measure, on the knowledge of government departments possessed by Members of the House of Commons. It is therefore important that their acquaintance with administrative procedures and problems should be up to date. This requirement, however, does not imply that every Member should take more-or-less continuous interest in every branch of administration."¹

Since 1958 the Canadian Committee on Estimates has followed the practice of requiring the department concerned to inform the Committee as to what action has been taken on its recommendations. This is only a matter of courtesy and there is no obligation on the department to do so.²

The effect of the Estimates Committee on the Committee of Supply has been two-fold. Firstly, in some cases there was little discussion or no discussion at all in the Committee of Supply with regard to the estimates which were considered by this Committee.³ Therefore, it saved the time of the Committee of Supply. In other words, it provided more time for the consideration of estimates of other departments to which, otherwise, the Committee of Supply might not have devoted sufficient time. From this it is obvious that the Committee has strengthened Parliamentary control over finance. Secondly, it provided valuable information to the members of the House. As a

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1. A.H. Hanson, "The Select Committee on Estimates", Yorkshire Bulletin of Economic and Social Research, 1951-52, p.126.
 2. Information based on a personal conversation with Mr. Smith, the Chairman of the Estimates Committee.
 3. Canada, House of Commons Debates, 1958, pp.3242-43. Also see Canada, House of Commons Debates, 1959, p.6279.

result, the discussions in the Committee of Supply were better informed. This can be observed from the remarks of Mr. Fleming, who said:

"However, I will say this. Such discussion as ensued in the Committee of Supply was more informed discussion as a result of the information which has been garnered in the meetings of the Committee on Estimates by the members who applied themselves to their duties in that regard."¹

Again in 1960, Mr. Fisher pointed out in the Committee of Supply that: "Mr. Chairman, perhaps other members have noticed what I thought was a very significant development in discussion of these estimates."² By reading Hansard with regard to the departments which were examined by this Committee, one gets the impression that the discussions in the Committee of Supply were fruitful and the criticism was more constructive. The members of the Committee of Supply have often asked questions based on the Minutes of Proceedings and Evidence and upon the report of this Committee. The usefulness of this Committee primarily depends upon the extent to which the members of the House of Commons study the information collected by the Committee.

The usefulness of the reports of this Committee can be discussed in two periods. From 1955 to 1957 the reports of this Committee did not serve any useful purpose whatsoever. During this period the Committee submitted 14 reports. It is interesting to note that it did not make a single recommendation with a view to improve efficiency, economy or co-ordination between different branches of the

1. Canada, House of Commons Debates, 1957, p.1667.

2. Canada, House of Commons Debates, 1960, p.5305.

department. However, this can be explained by the fact that during this period the Committee functioned as a miniature of the Committee of Supply. Therefore, it was required to act in accordance to the practices of the Committee of Supply.¹ It is not the practice of the Committee of Supply to make recommendations with regard to economy or efficiency within a department. As Bourinot writes: "Neither is it allowable under English practice to attach a condition or an expression of opinion to a vote, or to change the destination of a grant."² Therefore, the Estimates Committee also followed the same practice. In all the 14 reports the Committee used words such as this:

"Your Committee has considered and approved items numbered 244 to 281 inclusive, listed in the Main Estimates, 1956-57, relating to the Department of National Health and Welfare, referred to it by the House on March 2, 1956."³

From the example mentioned above, it is clear that the reports of this Committee were of no significant importance.

From 1958 onward the Estimates Committee followed the practice of making all sorts of recommendations. But it is possible to distinguish three main interests in the reports of this Committee: (I) to improve co-ordination and prevent overlapping of functions among the different agencies of a department; (II) to improve economy and efficiency within a department; (III) to bring to the attention of the House matters of public interest.

The first interest of the Committee can be observed in almost

1. Canada, House of Commons Debates, 1955, p.940.

2. Bourinot, Parliamentary Procedure, p.592.

3. Evidence, 1956, p.290.

all its reports. In support of this fact, some examples from the reports of the Committee may be mentioned here. In its fifth report on the Department of National Defence, it recommended that the department should lay emphasis on a greater measure of integration within the various ancillary branches of the three Services. The report said: "This Committee is not satisfied that it is necessary to maintain separate provost corps, padre services, and medical corps. It is to be noted in this respect that the dental corps performs dentistry for all three Services."¹ In the same report the Committee recommended that the department set up a Tri-Service recruiting unit in order to avoid any duplication of man-power and accommodation.² With regard to the Civil Defence in Canada, the report emphasizes "the desirability of intensifying training in civil defence and employing a greater measure of co-ordination between various units whether civil or military".³ The report on the Civil Service Commission requests that the Commission introduce uniform regulations in order to discourage any nepotism in the public service.⁴ The report also emphasizes a greater degree of co-operation between the Department of National Defence and the Civil Service Commission. It says:

"Noting that it takes one civilian to maintain every two men in uniform, your Committee urges that there be a constant review of number of personnel in each establishment to prevent any retention of unnecessary staff."⁵

1. Evidence, Fifth Report, 1958, p.590.

2. Ibid.

3. Ibid, p.591.

4. Evidence, Fifth Report, 1959, p.516.

5. Evidence, Fifth Report, 1958, p.592.

The report on Mental Health in Canada suggests that the Provincial and Federal Governments undertake a new joint study in order to improve the standard of both treatment and facilities for the mentally ill.¹ The report on Hospital Construction Grants recommends to the House that the relationship between the three levels of government should be examined in order to improve the critical bed shortage in the hospitals.² With regard to Physical Fitness in Canada the Committee recommends that a joint body should be appointed to formulate plans in order to improve the standard of physical fitness in Canada.³

The Committee's concern in improving efficiency and realizing economies within a department can also be illustrated by various examples from its reports. The report on aircraft purchases recommends that the government give consideration to the replacing of outdated elementary and intermediate aircraft by primary jet trainers.⁴ In its report on the Civil Service Commission, the Committee asks that the section of the Civil Service Act which deals with irregularities in examinations should be amended in order to provide some form of disciplinary action.⁵ In the same report the Committee emphasizes that Parliament should set up a body of independent consultants with a view to analysing such matters as administrative capabilities of the Commission, procedural methods and general growth and trend of the public service in Canada.⁶ The report on the Income Tax Appeal Board

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1. Evidence, Second Report, 1960, p.519.
 2. Evidence, Second Report, 1960, p.518.
 3. Evidence, Second Report, 1960, p.520.
 4. Evidence, Second Report, 1958, p.591.
 5. Evidence, Fifth Report, 1959, p.515.
 6. Evidence, Fifth Report, 1959, p.518.

points out that the Committee is not being critical of the Board, but it recommends that the government should take whatever action is necessary to facilitate a more prompt system of hearing in order to alleviate any hardship on the tax-payers concerned.¹ The report on the Department of National Health and Welfare asks the Organization and Method Division of the department to undertake a comprehensive study of the various operations in order to ascertain useful information for more detailed study in the future.²

The Committee's concern over questions of public interest can also be observed from its reports. The report on the Civil Defence and Emergency Measures Organization recommends that the administrative complex of the organization be reviewed within 12 months for the purpose of determining its overall efficiency. When the Committee was considering the estimates of this organization, the members showed a great interest in its functions and organization. In its reports, the Committee recommends that the government should procure without any delay the essential equipment required for national survival. Also the report says that the government should undertake a project for storing and supplying uncontaminated food supplies in the event of a nuclear war.³ The report on Narcotics Control asks the government to adopt all possible measures through its representative in the United Nations Narcotic Commission to restrict the growing of raw opium to the international demands for medical purposes.⁴ The Report on the Department

1. Evidence, Fourth Report, 1959, p.245.

2. Evidence, Second Report, 1960, p.524.

3. Evidence, Second Report, 1960, p.523.

4. Evidence, Second Report, 1960, p.521.

of National Health and Welfare emphasizes various questions of public interest such as family allowances, blind persons allowances, disabled persons allowances and mental health, etc.

These and various other examples of the recommendation of this Committee show beyond doubt that the Committee has performed a useful function. Another advantage of these reports lies in the fact that the newspapers and other journals can find a good deal of information which might otherwise have remained an official secret. As the Committee pointed out in its report that:

"A second value of the Committee's was the very broad press coverage given to the Committee's proceeding which, in its opinion, brought clearly into focus many aspects not generally appreciated in Canada's National Defence program."¹

It is difficult to know how the usefulness of this Committee can be best judged. It can be argued that since this Committee is appointed by the House and is charged with the duty of reporting to the House, the usefulness of this Committee can be judged by asking what importance the House attaches to the reports of the Committee. If we accept this as a valid standard for the measurement of its value, then there is no doubt that the Estimates Committee has not served any useful purpose; since none of the reports of this Committee has been debated so far. However, this criterion is open to question. Firstly, the Committee never requests the House to concur in its reports.² In other words, it is not the intention of the Committee that its report should be debated in the House, since its reports are automatically

1. Evidence, Fifth Report, 1958, p.595.

2. According to the Standing Order No. 32 (b) the reports of the Committee which are not required to be concurred in are not debatable.

discussed in the Committee of Supply and the members have frequently asked questions based upon the reports of this Committee. Secondly, when this Committee was appointed, the government made it quite clear that it was not its intention to add more debates to those already existing.¹ Therefore, the usefulness of this Committee cannot be judged by the number of times its reports have been debated. The chief function of this Committee is to strengthen Parliamentary control over finance. Since the Estimates Committee deals with the estimates of one or two departments each year, therefore it cannot have more than a limited effect. As shown in the preceding pages, this Committee has strengthened Parliamentary control over finance in two ways. Firstly, in some cases it cut down the time of consideration of the estimates in the Committee of Supply and thereby provided more time for other departments. Secondly, because of the information provided by this Committee the discussions in the Committee of Supply were better informed and the criticism was more constructive. The Estimates Committee served as a vehicle of constructive criticism in the Committee of Supply. Therefore, it is possible to say that the Estimates Committee in the House of Commons of Canada has served as an important instrument to strengthen Parliamentary control over finance. Prof. Norman Ward, in concluding his book, The Public Purse, has pointed out that "at the risk of being both academic and idealistic, it is proper to conclude that the recent changes are steps in the right direction".²

1. Canada, House of Commons Debates, 1955, p.940.

2. Norman Ward, The Public Purse, p.283.

The Appendix consists of the letter which the author received from the Honourable Donald M. Fleming, the Minister of Finance, Canada.

APPENDIX

CANADA
MINISTER OF FINANCE

Ottawa, January 22, 1962

Mr. S. P. Singh,
Apartment 5,
2010 Crescent Street,
Montreal, P.Q.

Dear Mr. Singh,

I acknowledge receipt of your letter concerning your thesis on the Estimates Committee in Canada. It was a pleasure to meet you at McGill last Monday.

I have looked up the letter I received in early 1955 from a friend of mine in the House of Commons at Westminster concerning the operation of the Estimates Committee there. I enclose a copy herewith and trust it will be of assistance to you.

Yours sincerely,

(Signed) Donald M. Fleming

SELECT COMMITTEE ON ESTIMATES

Questionnaire from Mr. Donald Fleming,
Member of Canadian House of Commons.

1. Personnel: number of members and party representation.

36 members, appointed roughly in proportion to the parties in the House. Present membership 18 Conservatives, 17 Labour, 1 Liberal.

2. Procedure in the House in reference to estimates to the Committee and also on report back to the House by the Committee. Is debate permitted?

The Estimates are not referred specifically to the Committee by the House. The Order of Reference of the Committee is as follows:

"to examine such of the Estimates presented to this House as may seem fit to the Committee, and to suggest the form in which the Estimates shall be presented for examination, and to report what, if any, economies consistent with the policy implied in those Estimates may be effected therein."

This motion, together with others relating to the procedure and powers of the Committee and the names of Members appointed to serve, is passed by the House at the beginning of each Session, usually without debate, although of course it is fully debatable.

The Committee is given power to report from time to time, so in each session there is a series of Reports by the Committee to the House, all of which are ordered by the House to be printed. A number of Reports have been debated in the House, either in Committee of Supply under S.O. No. 16(3) or on a special motion or a motion for the adjournment of the House. Reports are not, however, automatically debated. In 1953-54 the Committee made eight Reports to the House. None has so far been debated, although questions arising from them have been asked.

3. Selection of the departments whose estimates are to be reviewed; what voice the Opposition has in making the selection of particular departments, how many are reviewed in any one Session, etc.

The Committee themselves decide which Estimates they will consider. In the first instance, they usually refer the work of selection to a Sub-Committee, consisting of the Chairman, the Chairmen of all the Sub-Committees, and two or three senior members of the Committee. The Opposition, through their representatives on the Sub-Committee, has full scope in the choice of Estimates to be examined. The recommendations of the Sub-Committee have to be submitted to the whole Committee for their approval, and sometimes the Committee insist

on some alteration.

The whole Estimate of a Department may be referred to a Sub-Committee for examination, or the Estimates of several Departments, but frequently only certain Subheads, of one or more Estimates, under which money is provided for certain purposes are referred. For instance, in Session 1953-54, one Sub-Committee had referred to them the whole of the two Votes providing for expenditure on the Fire Services in England and Wales, and Scotland. On the other hand, to another Sub-Committee were referred only those parts of the Estimates of the Foreign Office and the Ministry of Works which related to expenditure on the staff of, and buildings for, the Foreign Office.

It is difficult to say how many Estimates are reviewed in each Session. It is comparatively rare for the Departmental Estimate to be reported on as a whole. Nearly every Report covers part only of several estimates. It is true to say, however, that only a small minority of the Estimates are investigated in any one Session.

4. Procedure of the Committee: whether functioning as a whole or in Sub-Committees: whether personnel is constant or rotating (depending on the particular department); whether the committee sits in camera or in public; the number and length of sittings; whether departmental officials are examined as witnesses under oath or otherwise and whether other witnesses are ever heard.

The whole Committee have to consider the Reports which they make to the House, but it is only very rarely that they hear any evidence. They are too big a body. They therefore at the beginning of each Session divide themselves into five sub-committees of 7 members each, and the Chairman of the Committee is appointed a member of each sub-committee. The full Committee decide who shall be the members of each sub-committee, who shall be Chairman, and the Estimates each shall examine. The Sub-Committees, when they have completed the inquiry allotted to them, make a Report to the full Committee, who usually adopt it, often however with considerable amendment, as their own Report to the House.

The composition of each Sub-Committee is very seldom changed during a Session, unless a member retires from the Committee altogether, when the member, appointed by the House to take his place, has been invariably added to the original Member's Sub-Committee. If a Member wishes to change his Sub-Committee, he must find another Member of the same party who is prepared to exchange with him, as the numbers of each Sub-Committee must remain constant, so as not to upset the balance of parties.

Both the full Committee and the Sub-Committees sit in private. At the beginning of each Session a resolution is agreed to, that strangers be not admitted, unless they are members or officials of Commonwealth or Colonial legislatures, and even then only with the specific consent of

the Committee or Sub-Committee on each occasion.

Sub-Committees usually meet once a week for about two hours. They have power, however, to adjourn from place to place, so that they may visit establishments anywhere in Great Britain. Such visits may last from a few hours to several days, depending on where the establishment is situated and on the willingness of Members to absent themselves from the House of Commons. Last Session the five Sub-Committees met 31, 20, 16, 26 and 14 times, respectively, including visits.

The full Committee only meet when there is business for them, i.e. at the beginning of a Session to choose their Chairman and set-up Sub-Committees, etc., and later on to consider Reports from Sub-Committees. Their meetings are therefore less frequent and shorter, unless a very contentious Report is submitted to them by a Sub-Committee. Last Session the Committee met 15 times, but they had to meet four times to pass one Report, a very rare occurrence.

The Sub-Committees carry out their investigations by asking for memoranda and by the examination of witnesses, either in a House of Commons committee room or at establishments which they are visiting. Most of the witnesses are departmental officials, but the Sub-Committees, being authorised by the House "to send for persons, papers and records", have power to summon anyone they think may be able to help them in their investigations. Representatives of local authorities, of firms working on contracts for government departments, and of the Trade Unions are frequently examined. An oath is not administered, although there is power to do so under the Parliamentary Witnesses Oaths Act, 1871.

5. The Chairman. Is he a Government or Opposition member, and how in fact is he chosen?

The Chairman is always a member of the Government party in the House, usually a fairly senior back bencher. The Committee choose their own Chairman, although it is usually arranged beforehand "through the usual channels" who the Chairman shall be. But no one can force the Committee to choose a particular Chairman if they do not want to. The Chairmen of Sub-Committees are appointed by the Committee.

6. The relationship of the Estimates Committee to the Public Accounts Committee.

There is no formal relationship, but the two Committees do in fact form the two halves of the system instituted by the House of Commons to keep watch on Government expenditure. They work quite independently, but liaison between them is ensured by the Chairman of the Estimates Committee being always nominated a member of the Public Accounts Committee. In addition, the Chairman of the Estimates Committee is authorised, by a resolution of that Committee passed at the beginning of each Session, to invite the Comptroller and Auditor General to attend any meeting of a Sub-Committee, at which it would appear his presence is particularly desirable. Mr. Speaker has recently given a ruling that copies of the evidence given before one Committee may be supplied to the Members of

the other. The Clerks of the two Committees work in the same office and keep each other informed of their respective activities. There is one subject which is always considered by both Committees simultaneously, i.e. the form of the Estimates and Accounts. Through the arrangements enumerated above, their conclusions usually do not greatly differ, but it has been known for the two Committees to come to different decisions, but, if so, it is done deliberately as each Committee is made aware of each other's views.

7. Does the existence of the Estimates Committee tend to cramp or restrict debate in the House on the Estimates?

No, because, except when debating Supplementary Estimates, the House practically never considers the Estimates in detail. They debate the Policy of the department concerned, and policy is explicitly excluded from the purview of the Committee by their Order of Reference.

8. Have any significant reductions in the Estimates been achieved by the Committee?

The Committee are not set up to achieve reductions in the current Estimates. They do not have to report to the House that in their opinion the Estimates (for 1955-56, for instance) are reasonable and necessary before the House agrees to them. Apart from any other reasons they would not have either the time or opportunity to examine all the Estimates in this way. None of their recommendations can have any effect on the current estimates. Indeed they never make a recommendation that such and such a sum voted for a particular purpose should be reduced. Their recommendations nearly always take the form of suggestions for better administration, so that either less money may be needed for the same purpose in the future or that the country will get better value for the money which is spent. It is therefore impossible to say exactly what reductions have been achieved by the Committee, but they have probably been considerable.

9. Your personal evaluation of the usefulness of the Committee on Estimates in relation to the duty of the Commons to control public expenditure.

Provided they are not tempted to stretch their Order of Reference and impinge upon policy, the Committee undoubtedly perform a useful function. The possibility that they may investigate any Department at any time on any subject, the cost of which appears in their Estimate, may cause officials to pause for thought before taking action or alternatively to take action more promptly. Some people may say that Departments already pause too long for too much thought, but it has been noticeable how often the very fact that the Committee starts asking pertinent questions about the details of their administration has caused Departments to speed up decisions in order that they may have a good answer to any criticism which may be forthcoming. A good example of this was the inquiry made by the Committee in 1947-48 into the use of motor fuel by Government Departments. Before they had had time to

report the Departments saw the red light and reorganised their system and considerably tightened up their rules.

Finally the Committee are the only Parliamentary body which can inquire into the details of current expenditure, much of it in these days of a highly secret nature. Departments do in fact give the Sub-Committees quite a lot of confidential information which could not be given in the House itself. It is therefore only through the Committee that the House is able to exercise any control, however slight, on large blocks of expenditure.

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