

which the Government intends to ask Parliament to make in the taxation statutes. However, if a change is proposed in a commodity tax, such as a sales tax or excise duty on a particular item, it is usually made effective immediately; the legislation, when passed, is made retroactive to the date of the Speech.

The Budget Speech is delivered in support of a motion that the House go into Committee of Ways and Means, the debate on which usually lasts for several weeks. With the passage of the motion, the way is clear for the consideration of the Budget resolutions and, when these have been approved by the Committee, a report to this effect is made to the House and the tax Bills are introduced and thereafter dealt with in the same manner as all other government financial legislation.

**Revenues and Expenditures.**—The administrative procedures whereby revenues are collected and expenditures are made are, for the most part, contained in the Financial Administration Act.

With respect to revenues, the basic requirement is that all public money shall be paid into the Consolidated Revenue Fund, which is defined as the aggregate of all public money on deposit to the credit of the Receiver General. The Treasury Board has prescribed detailed regulations governing the receipt and deposit of such money. For the actual custody of public money, use is made of the Bank of Canada and the chartered banks. Balances are allocated to the various chartered banks on the basis of a percentage allocation established by agreement among all the banks and communicated to the Department of Finance by the Canadian Bankers' Association. The daily operating account is maintained with the Bank of Canada and the division of funds between it and the chartered banks takes into account the immediate cash requirements of the Government and consideration of monetary policy. The Minister of Finance may purchase and hold securities of, or guaranteed by, Canada and pay for them out of the Consolidated Revenue Fund or may sell such securities and pay the proceeds into the Fund. Thus, if cash balances in the Fund are in excess of requirements for the immediate future they may be invested in interest-earning assets. In addition, the Minister of Finance has established a purchase fund to assist in the orderly retirement of the public debt.

The principal agencies exercising control over expenditures are the Treasury Board (previously described) and the Comptroller of the Treasury, who has the status of a deputy head but is an officer of the Department of Finance, with representatives who act as accounting and disbursing officers stationed in all the principal departments.

The Treasury Board exercises detailed central control over the budgets, programs and staffs of departments and over financial and administrative matters generally. Although the most important part of this control function is exercised during the consideration of the estimates, the Board maintains continuous control over certain types of expenditure to ensure that the scale of activities and commitments for the future is held within approved policies, that departments follow uniform, efficient and economical practices, and that the Government is informed of and approves any major development of policy or significant transaction that might give rise to public or parliamentary criticism.

To ensure that the decisions of Parliament, the Government and Ministers in regard to expenditures are enforced, there is a centralized accounting and disbursing system. The Financial Administration Act provides that no payment shall be made out of the Consolidated Revenue Fund without the authority of Parliament and no charge shall be made against an appropriation except upon the requisition of the appropriate Minister or a person authorized by him in writing. These requisitions, and certificates that the work has been performed, the material supplied or the services rendered and that the price charged is reasonable or according to contract, together with such documents as may be required, are presented to the Comptroller of the Treasury. If the charge is a lawful one against the appropriation and does not exceed the amount of the appropriation or reduce it below the amount necessary to meet other commitments, and does not contravene any applicable legislative or executive requirements, the Comptroller will make the payment. However, if he declines to make a payment, disallows an item in an account or refuses to