

The Fire Losses Replacement Account Act also provides for emergency expenditures for the urgent repair or replacement of property destroyed or damaged by fire, where there is not sufficient money available in the appropriation for the Service suffering loss. Such amounts must be charged subsequently to an appropriation or included in the Estimates for the department or agency concerned.

In addition, disbursements are made for purposes not reflected in the budgetary accounts but recorded in the Government's statement of assets and liabilities, such as loans to and investments in Crown corporations, loans to international organizations and to national, provincial and municipal governments, and loans to veterans. There are also disbursements in connection with deposit and trust accounts and annuity, insurance and pension accounts which the Government holds or administers, including the old age security fund which is operated as a separate entity. Although these disbursements are excluded from the calculation of the annual budgetary surplus or deficit, they are all subject to appropriation by Parliament either in the annual Appropriation Acts or in other legislation.

**The Budget.**—Some time after the Main Estimates have been introduced, the Minister of Finance presents his annual Budget Speech in the House of Commons. Budget papers, tabled for the information of Parliament at least one day prior to the presentation of the Budget, include a general review of economic conditions and a preliminary review of the Government's accounts for the fiscal year then ending. The Budget Speech itself reviews the state of the national economy and the financial operations of the Government for the previous fiscal year and gives a forecast of the probable financial requirements for the year ahead, taking into account the Main Estimates and making allowances for Supplementary and further Supplementary Estimates and probable lapsings. At the close of his address, the Minister tables the formal resolutions for changes in the existing tax rates and customs tariff which, in accordance with parliamentary procedure, must precede the introduction of any money Bills. These resolutions give notice of the amendments 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