

current levels of service, and "B Budgets" for new activities or expansion of existing activities. These proposals are reviewed by Treasury Board in the light of Cabinet expenditure guidelines that express government priorities. The Treasury Board secretariat prepares recommendations for the budgetary and non-budgetary allocations to each program for Treasury Board and Cabinet review. In August of the year preceding the fiscal year, departments are advised of the allocations approved by Cabinet. Departments then develop detailed estimates of their resource requirements for the new year and submit them at the end of October. Following review by Treasury Board and approval by Cabinet, they are tabled in Parliament in February.

Main estimates and supplementary estimates are referred to committees of the House of Commons. The standing orders of the house (March 1975) call for the referral of the new year main estimates to standing committees of the house by March 1 of the expiring fiscal year. The committees must report back to the house not later than May 31. Supplementary estimates are referred to standing committees immediately after they are tabled and reporting dates are stipulated.

There are three supply periods that end December 10, March 26 and June 30. The first supplementary estimates for a year are usually dealt with in the December period and the final supplementary estimates in the March period. In addition, interim supply (consisting of 3/12ths for all voted items in main estimates and extra 12ths for some voted items) is dealt with in the March period. In the June period the house is asked to provide full supply on main estimates. In each supply period a number of days are allotted to the business of supply. Opposition motions have precedence over all government supply motions on allotted days and opportunities to put forward motions of non-confidence in the government are provided. On the last allotted day in each period, the appropriation acts then before the house must be voted on. These acts authorize payments out of the consolidated revenue fund of the amounts included in the estimates, whether main or supplementary, subject to the conditions stated in them.

**The budget.** The finance minister usually presents his annual budget speech in the House of Commons some time after the main estimates have been introduced. The budget speech reviews the state of the national economy and the financial operations of the government in the previous fiscal year and gives a forecast of the probable financial requirements for the year ahead, taking into account the main estimates and allowing for supplementary estimates. At the close of his address, the minister tables the formal notices of ways and means motions for any changes in the existing tax rates or rules 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 effective immediately; the legislation, when passed, is retroactive to the date of the speech.

The budget speech supports a motion that the house approve in general a budgetary policy of the government; debate on this motion may take up six sitting days, but once it is passed the way is clear for consideration of the budget resolutions. 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 dealt with in the same manner as all other government financial legislation.

**Revenues and expenditures.** Administrative procedures for revenues and expenditures are, for the most part, contained in the Financial Administration Act.

The basic requirement for revenues is that all public money shall be paid into the consolidated revenue fund, which is the aggregate of all public money on deposit to the credit of the Receiver General for Canada, who is the supply and services minister. Treasury Board has prescribed detailed regulations for the receipt and deposit of this money. The Bank of Canada and the chartered banks are the custodians of public money. Balances are apportioned among the various chartered banks according to a percentage allocation established by agreement among all the banks and communicated to the finance department by the Canadian Bankers' Association. The daily operating