

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 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 finance minister 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 exceed immediate requirements, they may be invested in interest-earning assets. In addition, the finance minister has established a purchase fund to assist in the orderly retirement of the public debt.

Treasury Board has central control over the budgets of departments and over financial administrative matters generally, principally during the annual consideration of departmental long-range plans and of the estimates. The board also has the right to maintain continuous control over certain types of expenditure to ensure that activities and commitments for the future are held within approved policies, 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 enforcement of the expenditure decisions of Parliament, the government and ministers, 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 on the requisition of the appropriate minister or a person authorized by him in writing. These requisitions, which must meet certain standards prescribed by Treasury Board regulation, are presented to the receiver general, who makes the payment.

At the beginning of each fiscal year, or whenever Treasury Board may direct, each department submits a division of each vote included in its estimates into allotments. Once approved, they cannot be varied or amended without the consent of the board. To avoid overexpenditures, commitments due to be paid within a fiscal year are recorded