

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 six sitting days. Once it is passed the way is clear for consideration of the budget resolutions. When these have been approved, the tax bills are introduced and dealt with in the same manner as all other government financial legislation.

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

The basic requirement for revenues is that all public money 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, the chartered banks, and other financial institutions are the custodians of public money. Balances are apportioned among them by the Department of Finance. The division of funds between the Bank of Canada and the various financial institutions 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 specific expenditures, determined by the Board, 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 or her 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 so directs, votes included in estimates are divided into allotments. Once approved, they cannot be varied or amended without the consent of the Board. To avoid over-expenditures, commitments due to be paid within a fiscal year must be recorded and controlled by the departments concerned. Commitments made under contract that will fall due in succeeding years are also tracked, since the government must be prepared in the future to ask Parliament for appropriations to cover them. Any unspent amounts in the annual appropriations, after amounts owing for work performed, goods received or services rendered prior to the end of the fiscal year, March 31, have been recorded, lapse at the end of the fiscal year.

Public debt. In addition to collecting and disbursing public money, the government receives and pays out substantial sums in connection with its public debt operations. The Finance Minister is authorized to borrow money by the issue and sale of securities at whatever rate of interest and under whatever terms and conditions the Governor-in-Council approves. Although new borrowings require specific authority of Parliament, the Financial Administration Act authorizes the Governor-in-Council to approve borrowings, as required, to redeem maturing or called securities. To ensure that the consolidated revenue fund will be sufficient to meet lawfully authorized disbursements, the Governor-in-Council may also approve the temporary borrowing of necessary sums for periods not exceeding six months. The Bank of Canada acts as the fiscal agent of the government in the management of the public debt.

Accounts and financial statements. Under the Financial Administration Act, Treasury Board may prescribe the manner and form in which the accounts of Canada and the accounts of individual departments shall be kept.

Annually, on or before December 31 or, if Parliament is not then sitting, within any of the first 15 days after Parliament resumes, the Public Accounts, prepared by the Receiver General, in accordance with the accounting policies and other instructions emanating from the office of the