

on anticipated expenditures and forecasts of revenue from taxes at prevailing rates estimated in the light of expected economic conditions he then announces his proposals for increases or reductions in taxes and customs tariffs. If no changes are proposed all existing tax rates and customs tariffs remain in effect as it is unnecessary to re-enact tax laws each year. 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 and the Minister announces that it will be put into effect pending legislation which when passed will be retroactive to the date of the speech.

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.

The budget speech is delivered in support of a motion that the House go into Committee of Ways and Means but Parliament does not act on the budget proposals until the motion has been adopted. The general debate on the motion to go into Committee of Ways and Means usually lasts for a considerable number of days spread over several weeks. However with the passage of the Minister's motion the way is clear for the consideration of the budget resolutions. When all resolutions have been approved by the Committee of Ways and Means a report to this effect is made to the House and the tax bills are introduced and thereafter are dealt with in the same manner as all other government financial legislation.

REVENUES AND PUBLIC MONEYS

The foregoing describes the processes whereby Parliament authorizes the raising and appropriation of public moneys. 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 moneys shall be paid into the Consolidated Revenue Fund which is defined as the aggregate of all public moneys that are on deposit at the credit of the Receiver General. The Treasury Board has prescribed detailed regulations governing the receipt and deposit of such moneys. Although the collection of the greater part of all tax revenue is the responsibility of the Department of National Revenue, which administers the custom tariff and the income and excise tax laws passed by Parliament, substantial amounts are collected by other departments.

For the actual custody of public moneys use is made of the Bank of Canada and the chartered banks with their many branches throughout the country. The banks are designated by the Minister of Finance, whose official title is the Minister of Finance and Receiver General of Canada, and balances are allocated to the various banks on the basis of the relative amount of work done by each bank for the Government. The division of funds between the Bank of Canada on the one hand and the chartered banks on the other however, takes into account the immediate cash requirements of the Government to meet outstanding cheques and other obligations as well as consideration of monetary policy.

The Minister of Finance may also "for the sound and efficient management of the public money or the public debt" purchase and hold securities of Canada and pay for them out of the Consolidated Revenue Fund. Any securities so acquired may be sold and the proceeds paid into the Fund. Thus if cash balances in the Consolidated Revenue Fund are in excess of requirements for the immediate future they may be invested in interest earning assets.

EXPENDITURES

The two principal agencies exercising control over expenditures are the Treasury Board which has been described previously and the Comptroller of the Treasury, who is a senior officer of the Department of Finance, with representatives who act as accounting and disbursing officers stationed in all the principal departments.