

of such co-operation varies, but, generally speaking, it is of a high order.

The Federal Government is directly responsible for the development and administration of the Yukon Territory and the Northwest Territories which have not been incorporated as provinces. These vast areas comprise one and a half million square miles but contain a population of only some thirty thousand.

Having in mind the above limitations to direct federal participation in economic development, we can turn to the specific political and administrative machinery through which such participation is effected. We note too that the direct participation of the Federal Government in economic development is much less significant than the role which it fills in creating the set of economic conditions favourable to economic growth. We can, therefore, break this problem down by examining the role of specific parts of our governmental machinery and by inquiring into the effects of government fiscal, monetary and trade policies. Thus we must examine the role of the Cabinet, the role of the Treasury Board, the role of Cabinet and Interdepartmental Committees, the role of specific Crown agencies and companies charged with specific operations or developmental programmes, the role of fiscal policy, the role of monetary policy and the role of trade and commercial policy.

In so far as the Federal Government is involved in economic development, the Cabinet will set the general policies and decide questions of principle, since it is at the top of the whole executive structure of government. Naturally, of course, the advice on which Cabinet will make decisions will flow from various sources, including committees of itself, committees of particular departments or interdepartmental committees.

The Treasury Board is a committee of Cabinet charged with the task of dealing with requests for expenditure submitted by individual government departments and agencies. The Treasury Board is composed of six members of the Cabinet, with the Minister of Finance as Chairman and its secretariat is composed of a staff which forms part of the Department of Finance. Each year the Treasury Board prepares the estimates of government expenditure on the basis of estimates submitted to them by the individual departments. During the preparation of the estimates these departmental submissions are carefully examined by Treasury Board staff to see that they are consistent with government policy. Moreover, once the expenditure policy embodied in the estimates has been approved by Cabinet and by Parliament, the Treasury Board sees that expenditures made are in accordance with this policy. Contracts above a stated amount (usually above \$5,000) must be approved by Treasury Board even though the general authority to spend money for a particular purpose has already been granted when the estimates are passed by Parliament. Thus the Treasury Board can exercise continuing control of a very close nature over most developmental projects of any size since these are apt to involve the letting of contracts. This centralization of power over expenditure, therefore, acts as a strong co-ordinating influence.