

Consolidated Revenue Fund was created, in which all moneys received were to be deposited, with Parliament alone enjoying the power to authorize expenditures from the Fund. A Treasury Board was also established to supervise all matters relating to finance, revenue and expenditure. It was created by Order-in-Council on July 2, 1867. Two years later, however, with the passing of the Department of Finance Act of 1869, it was made a statutory committee of the Privy Council consisting of four Cabinet Ministers, with the Minister of Finance as Chairman. The Act stated that the Board should act as a committee of the Queen's Privy Council on all matters relating to finance, revenue and expenditures that might be referred to it by the Council or that the Board might think it necessary to call to the attention of the Council. The duties and powers conferred by this Act are still the central core of the responsibilities and functions of the Treasury Board.

Some doubt exists, however, about how effectively the Board performed as a central control agency in those early decades, extending into the 1920s. Although by 1910 it had begun the practice of reviewing departmental estimates, it appears that the Treasury Board met only intermittently and was relatively inactive, concerning itself with such matters as reclassification of positions, travel expenditures and internal or household matters of government. As the activity of the Federal Government expanded and became more involved in the economy, weaknesses began to appear in the Government's administrative machinery, particularly in the area of financial control. Ministers and their deputies were unable to maintain adequate control over the size of their staffs and their money. Until 1930, the handling of public funds was governed by the Consolidated Revenue and Audit Act of 1878, and control over departmental expenditure was very loose. In some cases, departments overspent their votes without being aware that they had done so. With the onset of the Great Depression, the Government of the day, as part of its economy drive, decided that measures would have to be implemented to tighten the control over the use of federal funds. This resulted in the revised Consolidated Revenue and Audit Act of 1931, which established a pattern of central control over the financial operations of departments. The Act created a new officer, the Comptroller of the Treasury, whose task it was to ensure that the funds voted by Parliament were used for the purpose intended and that the authority to spend was not exceeded. He was charged with the responsibility of keeping a continuous record of commitments and of maintaining for each department detailed accounts of authorizations, commitments and payments.

At the same time as this new office was established, the Treasury Board began to function as a stronger financial-control agency. There was a general tightening of control over expenditure, and throughout the 1930s the Board became more involved in restricting the expenditure programs of the various departments and developed stronger administrative control in order to achieve economies in government.

#### Postwar Expansion of Activity

The Second World War, of course, led to a vast expansion of Government activity and initiative. During the war, the work of the Cabinet was facilitated by the establishment of a small body known as the War Committee, which exercised a general comprehensive supervision over the war activity of the Government. Though not an executive body, it co-ordinated and initiated approved major