

However, if he declines to make a payment, disallows an item in an account or refuses to give a certificate, the Minister concerned may report the circumstances to the Treasury Board for decision and the Board may confirm or overrule the action of the Comptroller. The Comptroller may transmit to the Board any requisition with respect to which he desires its direction and the Board may order that payment be made or refused.

At the beginning of each fiscal year each department submits to the Treasury Board, through the Comptroller, a division or allotment of each item included in its estimates. Once approved by the Board, these allotments cannot be varied or amended without the approval of the Board and expenditures charged to appropriations are limited to such allotments. To avoid over-expenditures within a fiscal year, the Comptroller records and controls commitments due to come in course of payment within the year for which Parliament has provided or has been asked to provide appropriations. The Government, through the Treasury Board and the Comptroller, also maintains careful control over commitments made under contract that will fall due in succeeding years, since it must be prepared in future to ask Parliament for appropriations to cover them. Any unexpended amounts in the annual appropriations lapse at the end of the year for which they are granted, but for thirty days subsequent to Mar. 31 payments may be made and charged to the previous year's appropriations for debts incurred prior to the end of that fiscal year.

Under the Financial Administration Act, every payment pursuant to an appropriation is made under the control and direction of the Comptroller by cheque drawn on the account of the Receiver General or by such other instrument as the Treasury Board may direct. In practice, the paid Comptroller's cheques are cleared daily by the chartered banks through the Bank of Canada to the Cheque Adjustment Branch of the Comptroller's Office, and reimbursement is made by means of a cheque drawn on the Receiver General's account with the Bank of Canada.

Public Debt.—In addition to the collection and disbursement of public money for budgetary and non-budgetary purposes, the Government receives and disburses substantial sums in connection with its public debt operations. The Minister of Finance is authorized to borrow money by the issue and sale of securities at such rate of interest and subject to such terms and conditions as the Governor in Council may approve. Although the specific authority of Parliament is required for new borrowings, the Financial Administration Act authorizes the Governor in Council to approve the borrowing of such sums of money as are required for the redemption of maturing or called securities and, to ensure that the Consolidated Revenue Fund will be sufficient to meet lawfully authorized disbursements, he may also approve the temporary borrowing of such sums as are necessary 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, accounts are kept to show the revenues of Canada, the expenditures made under and the commitments chargeable against each appropriation, the other payments into and out of the Consolidated Revenue Fund, and such of the assets and direct and contingent liabilities as the Minister of Finance believes are required to give a true and fair view of the financial position of Canada. The statement of assets and liabilities is designed to disclose the amount of the net debt, which is determined by offsetting against the gross liabilities only those assets regarded currently as readily realizable or interest- or revenue-producing. Fixed capital assets, such as government buildings and public works, are charged to budgetary expenditures at the time of acquisition or construction and are not recorded on the statement of assets and liabilities.

Annually, on or before Dec. 31 or, if Parliament is not then in session, within fifteen days after the commencement of the ensuing session, the *Public Accounts* is laid before the House of Commons by the Minister of Finance. The *Public Accounts* contains a survey of the financial transactions of the fiscal year, statements of the revenues and expenditures for the year and of the assets and direct and contingent liabilities as at the end of the year,