account is maintained with the Bank of Canada and the division of funds between it and the chartered banks 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 certain types of expenditure 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 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 may direct, each department submits a division of each vote included in its estimates into allotments. Once approved, they cannot be varied or amended without the consent of the board. To avoid overexpenditures, commitments due to be paid within a fiscal year are recorded and controlled by the departments concerned. Commitments made under contract that will fall due in succeeding years are recorded since the government must be prepared in the future to ask Parliament for appropriations to cover them. Any unspent amounts in the annual appropriations lapse at the end of the fiscal year, but for 30 days subsequent to March 31 payments may be made and charged to the previous year's appropriations for work performed, goods received or services rendered prior to the end of that 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, he 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, are laid before the Commons by the minister of finance. The *Public accounts* contain a survey of the financial transactions of the fiscal year ended the previous March 31 and statements of revenues and expenditures, assets and direct and contingent liabilities, together with other accounts and information required to show the financial position of Canada. The statement of assets and liabilities is designed to disclose the net debt, which is determined by offsetting against the gross liabilities only those assets regarded as readily realizable or interest- or revenue-producing. Fixed capital assets, such as government