

by virtue of the fact that there were not sufficient funds in the appropriation. The departments are well aware that if they submitted requisitions to us, we would not act on them if there were not sufficient funds. Therefore, we would not have this within our records. We would have to circularize the departments, and we would have to publish a report in the Public Accounts on the basis of advice received from the departments. This would not be on the basis of our accounting records necessarily.

Mr. LONG: Mr. Balls, would you not be able to identify previous years' accounts when they are being paid in the new year?

Mr. BALLS: This may be true, but bear in mind this may be some period after the time when we prepare the Public Accounts. I think we would have to ask departments to identify these if we are going to publish a satisfactory statement in the Public Accounts.

The CHAIRMAN: It should not be any problem for the departments to do that.

Mr. BALLS: I think this can be done, but it would have to depend, I believe, on departmental advice.

Could I add one further thing, Mr. Chairman, in regard to this particular item. There is one aspect in regard to the difficulty of errors in estimating, but I think we should bear in mind too, that the fact there are unpaid accounts has some reference to the requirements of the Financial Administration Act and the responsibilities of my office under that act to ensure that a payment must not be made unless there is an available appropriation for it. To the extent that there are unpaid accounts, this simply reflects the effectiveness of the controls which are being exercised on behalf of Parliament to ensure that appropriations are in fact not exceeded.

The CHAIRMAN: Is there anything further on that section? Mr. Long, do you want to ask any further questions?

Mr. LONG: I was going to say that I think a listing such as that would give a true picture. As Mr. Balls says, the Financial Administration Act prevents you from making a payment. When is money spent, when you pay it or when you actually incur the obligation? The alternative would be, if the act did not stop the payment, to show over-expenditures over the estimates in each of the appropriations. However, the act does stop the payment and, therefore, should the members of Parliament not be made aware of obligations incurred which really should not have been incurred because parliamentary authority for them did not exist.

Mr. BRYCE: Mr. Chairman, could I put a question to Mr. Long. How can one say in this case, where Parliament has determined by statute the grants which we are to pay, that the obligation should not have been incurred?

Mr. LONG: The grants, of course, which come under finance are a very special item. The other items in this paragraph are expenditures of other departments. For instance, in the case of National Defence they had a supplementary estimate of \$13 million when they should have had \$25 million. Your municipal grants are in a particular class. Nevertheless, had your estimates been greater, there would have been that much more expenditure in the year.