

3. That a declaration showing whether the original cheque was endorsed or not and how it was lost or destroyed, should accompany the bond, in case it is claimed that the cheque was lost or destroyed.

4. That each duplicate cheque should have the word " Duplicate " written in red ink across the face of it.

J. M. COURTNEY, *Secretary.*

### Overdrafts of Appropriations.

*Memorandum for the Minister of Finance.*—You have frequently had occasion to allude in conversation to the overdrafts of appropriations made by departments under their letters of credit, and to inquire whether a remedy could not be found for the evil.

The irregularity occurs :—

- (1.) Sometimes by overdrawing the credit to the bank,—but
- (2.) More often while there is a part of the credit unused, the over-expenditure of one appropriation being possible owing to an equal or greater aggregate under-expenditure of other appropriations.

It may be supposed that the remedy for (1) would be to give instructions to the bank not to cash cheques against an exhausted credit.

When, however, I have been applied to by a bank for instructions with reference to cheques presented for payment against an overdrawn credit, although I could not, as is plain, request the bank to continue cashing the cheques, I have hesitated to ask that the cheques should be dishonoured, as it might be hurtful to the credit of a department to have it generally understood that it was doubtful whether its cheques would be accepted.

Besides, with (1) as with (2), the responsibility should be laid upon the department. If the accountant of a department attends to his duties, he charges each cheque as it is issued against its appropriation and against the letter of credit of the department, and may be expected to be fully informed from time to time as to the balance of the credit and of each of the appropriations.

I therefore beg to recommend that an Order in Council based upon a report of the Treasury Board be passed, making it the duty of the accountant of each department to inform the Deputy Minister of the department whenever a cheque which is about to be issued will overdraw an appropriation of letter of credit, so that such cheque may not issue until parliamentary, or other authority as provided by the Audit Act, is obtained in the one case, or an additional credit in the other case.

J. L. McDOUGALL, *A.G.*

AUDITOR GENERAL'S OFFICE,  
OTTAWA, May 28, 1892.

*Order in Council, July 7, 1892.*—On a report dated July 4, 1892, from the Minister of Finance, submitting the annexed memorandum from the Auditor General with regard to the overdrafts of appropriations made by departments under their letters of credit.

The Minister in accordance therewith recommends that it be the duty of the accountant of each department to inform the Deputy Minister of the department whenever a cheque, which is about to be issued, will overdraw an appropriation or letter of credit, so that such cheque may not issue until parliamentary, or other authority as provided by the Audit Act, is obtained in the one case, or an additional credit in the other case.

The committee recommend that a copy of this Minute be sent to the several departments for their guidance in future.

JOHN J. MCGEE, *C.P.C.*