

shape much that might otherwise remain in disconnected form. It is probable that, with a well considered system of record in the Accountant's Branch, the value of the Annual Report for purposes of Departmental reference, would not be what it is now, and certainly in its curtailment much expense would be saved, not only in the item of printing, but in the cost of clerical preparation.

I mentioned in a previous part of this Report, the reasons for the introduction into the British Postal Estimates, as a special sub-head, of an amount for "Losses by default, &c.," so that I need do no more here than refer to the item as one which sound practice suggests should be given a place in future Canadian Postal Estimates.

An examination of the **British Postal Estimates** discloses a practice in regard to postage of Government Departments, differing from that prevailing in Canada, where every Government Department asks Parliament (under Miscellaneous) to vote its postages\*—in all, about \$10,000—and the Post Office receives the benefit in the shape of revenue. This is held in England to be illogical and contrary to sound Parliamentary finance, on two grounds:—

1. That Parliament should not be called upon to vote as expenditure in one Department, what will become revenue in another.
2. That Parliament should not be asked to vote the same amount twice over.

The first point requires no explanation. The second may be explained by illustration. For example:—Having already voted the sums said by the Post Office to be necessary for all mail conveyance, Parliament, on coming to a vote, say in the Inland Revenue Estimates, for postages (*i. e.*, for provision for carrying the correspondence of the Inland Revenue Department) would reply: "No; Parliament has already voted all that the Post Office asked for mail conveyance."

A maxim of universal application throughout the Imperial Government Departments and an enunciation, in another form, of the same principle is this: that any service which one Department can render another, falling within the range of its ordinary functions, shall be given free of charge. Thus no Government Department pays its domestic or even its foreign postage, or domestic telegrams. The Post Office sells Inland Revenue stamps for the Inland Revenue Department, and pays army pensions for the War Office, without compensation. On the other hand the Inland Revenue Department serves the Post Office by taking control of the issue of Postage stamps to postmasters.

By the amount which other Departments pay the Canadian Post Office for postage, there is clearly so much that is delusive in the Statements of Dominion Gross Revenue on the one hand and Gross Expenditure on the other.†

\* Not to cover postage on purely domestic mail matter, which is carried free, but charges on matter for and from other countries.

† The payment by the Post Office of \$110,000 per annum to the Department of Railways and Canals for postal service performed by the Intercolonial Railway in like manner contributes to a delusive showing of Dominion Gross Receipts and Expenditure in the Public Accounts.