

Postal Revenue would be determined. All Postal Receipts, including Money Order, Savings Bank and Revenue funds, would pass into *one* account in the Finance Department. Out of this would grow two others, "Revenue" and "Savings Bank." The present Money Order account would disappear. Once a month, about the third week of the following month, the amount to be transferred to Savings Bank account would be advised to the Finance Department, as at present. In like manner once a month, perhaps at end of second month from date, the amount of Postal Revenue earned, for sale of stamps, Money Order commission, profit on Money Order exchange, as ascertained from Post Office summaries, would be communicated to the Finance Department. The transfer would involve a mere book entry, the receipts, as a matter of fact, being in the hands of the Receiver General from the outset, but held in suspense, as it were, until apportionment.

In England the Post Office Receipts and Revenue for the year are held to be those items as per the Books of the *Treasury*, and not the booked Revenue as per the Post Office accounts. For example, while the booked revenue of the Post Office, as per Post Office ledgers in 1886-87, was £8,462,567, the payments into the Exchequer were £8,457,000, *i. e.*, the sum total of the *actual transfers* to revenue during the year. This principle applies to all Imperial revenue earned by the great Revenue Departments, and is clearly illustrated in the Imperial Financial accounts (Blue Book) where also the disposal of the difference between Booked Income and Income paid into the Treasury is fully brought out.

What I said in describing the treatment in England, of certain items as "deductions from revenue," and the inconsistencies exhibited in Canadian practice in respect of similar items, will, no doubt, lead to the adoption of a fixed principle in Canada. Should British precedent be adopted, it must be borne in mind that the Post Office must then be given authority to draw on the Treasury against "Receipts" (subject to Auditor General's audit) in respect of the items decided on for treatment as "Deductions from revenue."

The general subject of "Receipts" closes naturally with a reference to audit. This can apparently go no further than it does in England; that is a test audit, accompanied by special examination of the ledgers of postmasters out of office. It will be seen, however, how much further than at present, audit could go under the proposed amalgamation of cash accounts. Whereas now the postal revenue alone,—viz., \$2,500,000, comes under review by the Auditor General, the entire Post Office receipts amounting to \$35,330,000,—would then be open for the Auditor General's examination. It must be remembered, on the other hand, that there is not in Canada that necessity for applying searching audit to "Receipts" which there may possibly be in England. In Canada the Post Office neither receives nor controls the Cash Receipts, so that audit becomes necessarily a review of Books only.