

whole or in part. The Accountable Receipt for the gross amount to be sent by the Post Office to the Receiver General, as Drafts are at present.

There exists no doubt in my mind, that the postmaster who now takes improper advantage of the fact of his official depository being beyond easy reach of Ottawa, would be quick to perceive the futility of deception when misrepresentation could no longer deceive. As regards errors and discrepancies in remittances, they would speak for themselves, and enquiries, now so numerous, of postmasters and the Banks concerned, would cease.

I have said that nothing is to be gained by disturbing the present rule under which postmasters deposit Post Office Receipts directly to the credit of the Treasury (the Receiver General). I may here, however, point out the single inconvenience resulting from the present system, and again allude to the appreciable friction due to the present method of obtaining funds from the Treasury, to provide for Money Order and Savings Bank requirements, and to meet Money Order obligations abroad, and may urge the necessity for some "*modus vivendi*" being arrived at. The joint concurrence of the Auditor General and the Finance Department now necessary in order to enable the Postmaster-General to provide for obligations which he is by law, or International Convention, bound to meet punctually, involves a concerted action at times very difficult to obtain, owing to the want of close touch between those Departments and the Post Office. A partial remedy would be found in giving to some principal officer in the Post Office Department an accountable credit at the Bank of Montreal, exactly as one is given (to meet the very same objects) to every Post Office Inspector in the Dominion. In respect of the general measure for supplying postmasters with funds, little is to be learned from English practice. The geographical extent of Canada will always compel the Department to maintain some system by which funds can be placed where required, without previous requisition to Ottawa. For that reason, the present system of Inspectors' and Postmasters' Bank credits cannot well be disturbed. It should, however, be supplemented by a central credit at Ottawa.

The English method of collection of unpaid Postage is, in its entirety, inapplicable to Canada. As elsewhere stated, it might perhaps be applied to certain classes of offices, including those served by travelling Post Offices. Of the present Canadian system, it may be said that, while it falls short of absolute verification of this item, it perhaps attains as nearly to the truth as is, on the whole, possible, and what it does accomplish is done without expense. I do not forget that in the measure of the removal of all non-Money Order Offices from rank as accounting offices, is involved loss of the account now rendered by those offices, of postage on unpaid matter. This, however, could be had in another, and as satisfactory a shape in connection with the Quarterly payments of Salaries to those offices.

It now becomes necessary to refer to the manner in which, under such a reorganization of accounting methods, as has been sketched, the