

AUDIT OFFICE, OTTAWA, October 25, 1898.

SIR,—In your letter of the 22nd instant, you state that there is no agreement, arrangement, or understanding between this country and the United States for the exchange of parcels.

Though you have given me verbally an explanation of the circumstances that have prevented an agreement on this business, I think it would be as well to have it in writing so that it may be of record.

I am, sir, your obedient servant,

The Deputy Postmaster General.

J. L. McDOUGALL, A.G.

POST OFFICE DEPT., OTTAWA, October 27, 1898.

SIR,—I have your letter of the 25th instant, in which you inquire why there is no agreement between this department and the United States respecting the exchange of parcels.

In reply, I am to say that it does not readily appear what financial point is touched by the inquiry you make, and I am therefore at a loss to answer your question satisfactorily.

The reason why no payments are made to, or received from, the United States on parcel account is simply that the only articles which could possibly be considered as parcels which are exchanged between the two countries are embraced in, and form part of, the ordinary mails, and that by a convention with the United States, made in the month of January, 1888, and copy of which you can see in the introduction to the annual report of this department for the year ended 30 June, 1887, it is agreed that "each Administration shall retain to its own use the whole of the postage and registration fees it collects on postal articles exchanged with the other, including deficient postage," and that "consequently there will be no postage accounts between the two countries."

The Convention in question also contained a clause (Art. 1 a.) which prohibits the sending from either country to the other of any articles closed against inspection with the sole exception of letters in their usual and ordinary form.

It is not assumed that you object to the terms of this convention, and it therefore does not seem necessary to say more than that, with the exception of a trifling modification made in the month of April, 1888, it has remained unchanged to the present day.

I am, sir, your obedient servant,

The Auditor General.

R. M. COULTER, D.P.G.

Re Stamps furnished Immigration Branch, Department of the Interior.

AUDIT OFFICE, OTTAWA, October 17, 1898.

SIR,—In accounting for the stamps and cards issued during 1897-98 by the Stamp Branch, credit is taken by your Accounting Branch for \$1,823.56, being for stamps furnished the Immigration Branch of the Department of the Interior.

I have to ask for an explanation. If the Immigration Branch needs postage stamps in connection with its undertakings, why are they not purchased and made a charge against the appropriation, as is done by the other departments?

I am, sir, your obedient servant,

The Deputy Postmaster General.

J. L. McDOUGALL, A.G.

POST OFFICE DEPT., OTTAWA, January 17, 1899.

SIR,—With reference to your letter of the 17th October last, making inquiry concerning a credit of \$1,823.56 taken by the Accounting Branch of this department for postage stamps furnished to the Immigration Branch of the Department of the Interior, I beg leave to inclose herewith copy of an Order in Council, dated 10th August, 1897, which will explain the matter.

The cost of the manufacture of these stamps was made good to this department by the Department of the Interior.

I am, sir, your obedient servant,

The Auditor General.

R. M. COULTER, D.P.G.

EXTRACT from a Report of the Committee of the Honourable the Privy Council, approved by His Excellency on the 10th August, 1897.

On a Memorandum, dated 29th July, 1897, from the Postmaster General, recommending that authority may be given to the postmaster of Ottawa to keep a special account of the postage chargeable upon all immigration correspondence mailed by the Depart-