

tion is perhaps mainly owing to the fact that we are in the habit of hearing that, while the mail-service of the United Kingdom earns immense profits, the telegraph branch is a source of expense. To arrive at the actual facts I have made a careful examination of the Post Office returns to the Imperial Parliament and other official documents. In the last report of the Postmaster-General it appears that the total receipts of the telegraph branch for the year 1900-1 was £3,429,453, and the expenditure £3,812,569, showing a deficiency of £383,116.

With respect to this deficiency and the cause of it, there can be no better authority than the Postmaster-General himself. His report for 1895, and appended documents, point out that for the preceding twenty-five years, during which period the telegraphs had been under Government control, the receipts exceeded the expenditure by a total sum of £1,795,000, equal to an average annual surplus of £71,800. This does not, however, include the charge for interest on the purchase-money of the original lines, which is now, however, included and forms the major part of the deficiency. This interest-charge on capital is £298,000, but the report itself furnishes evidence to show that it is far larger than it should be.

The revenue is further burdened by various charges which, as it seems to me, are quite unnecessary. I have already mentioned one of these, the portorage on messages sent three miles from the post-office free of charge. In all such cases the messages are usually carried by hand, and no doubt it is a great convenience to those who live a little way in the country, but it should not be done at the public expense. The remedy is simple—to charge for portorage, or use a telephone, as we do in Canada.

Again, several railway companies had conceded to them thirty years ago the right to free transmission of all their telegrams, and it appears that these free telegrams have increased out of all proportion to the growth of public telegrams. It is estimated that the loss to the Treasury from this cause alone now exceeds the sum of £80,000 (or \$400,000) per annum.

But the matter which most seriously affects the receipts is the extremely low and unremunerative rates charged for Press despatches. The Postmaster-General states in his report of the 2nd August, 1901, that "the Press telegrams entail a heavy financial burden on the telegraph service." The charge for Press telegrams in the United Kingdom is the lowest in the world, and the amount of work performed for the Press is without a parallel in any other country. In the year ending the 31st March, 1901, the average weekly number of words in Press telegrams was 16,065,502, equal to about 835,000,000 words per annum. This enormous volume of business, involving not far short of half the domestic telegraph work of the country, was performed at a charge totally inadequate to meet the actual cost. During last year 1,083,000,000 words were transmitted in ordinary public telegrams, yielding £2,257,399, while 835,000,000 words were sent by wire in Press despatches which contributed to the revenue only £141,600. The former is at the rate of $\frac{1}{2}$ d. per word, the latter for Press work represents twelve words for $\frac{1}{2}$ d. In Canada the Press rates, as I am informed, range from 25 cents up to \$1 per hundred words: if the Press despatches of the United Kingdom were charged at the very lowest Canadian Press rate—that is to say, at $\frac{1}{4}$ -cent a word—there would be an annual surplus after paying interest on capital and every other charge.

Sir William Preece, lately at the head of the Telegraph Branch of the Post Office, states, in *St. Martin's-le-Grand* for last October, that "the unremunerative rates charged for Press despatches entail an actual loss to the Department roughly estimated at £400,000 a year." Another writer thus expresses his views in explanation of the course followed. Referring to the deficiency in the balance-sheet he says, "This, of course, means no more than that the Government are persuaded of the educational value of the Press that it gives a sum equal to this large shortage in the shape of a bonus to the newspapers. It is another form of applying the principle of aiding in the diffusion of newspaper information, which in Canada and the United States is done by nominal charges for transportation." These facts and explanations furnish reasons for the adverse balance as it appears in the accounts of the Telegraph Branch of the General Post Office and as the nominal deficiency is not owing to any defect in the general system, and as there is no actual loss to the public, both Parliament and taxpayer have no difficulty in overlooking the absence of a financial balance on the right side of the account, in view of the inestimable benefits which the service confers on the community.

There is one feature of the British telegraph service of peculiar importance, and that is the adoption of a uniform charge for all distances. As I have dwelt on this point at some length in my letter to Mr. Mulock, to which I have so frequently referred, I shall only reaffirm the view I hold, that in no country would a uniform charge for telegrams be of greater general advantage than in Canada. We have already, in common with the Mother country, adopted the principles of uniformity of charges in the mail-service. In both countries a postage-stamp will carry a letter to any place near or remote, and every argument in favour of applying the principle to the carriage of letters applies with tenfold force to the transmission of despatches by telegraph. Long experience in the British Islands, and, indeed, wherever the principle has been applied, amply confirms the wisdom of the policy of charging the same rate for all distances. It must, however, be distinctly borne in mind that in no country does it appear to have been possible to put the principle in practice without first placing the telegraph lines under Government control.

At present the rates charged are graduated, according to distance and range, from 25 cents a message and upwards. With the service brought under State control, the lowest rate should at once, I think, be made uniform for all distances.

With respect to the general principle of Government control little need be said. From the earliest days the Government of every civilised nation on the face of the earth has taken charge of the conveyance of letters and correspondence, and, as a rule, they have always employed the best available means of doing so. At one time the mails were carried on horseback, at another period by stage-coach. In more recent times the Governments have not hesitated to have the people's correspondence conveyed by steam-power. To-day a far speedier and, I may add, far