

THE SENATE

Tuesday, Dec. 3, 1867

The Speaker took the Chair at three o'clock.

After routine

Hon. Mr. Skead moved that Rule 62 be suspended in so far as it relates to the Bill to incorporate the Intercolonial Insurance Company.—Carried.

POSTAL SERVICE REGULATION BILL

Hon. Mr. Campbell in rising to move the second reading of this bill, said that he proposed to ask the House to consider several clauses in the measure concerning which they could come to no absolute decision, as they only came properly in the first instance under the control of the other branch of Parliament, but, should the bill pass that House, then these clauses would become parts of it, and would be submitted again to the Senate. Notwithstanding this slight embarrassment, he had deemed it best in the interests of the public service, to submit the measure as it was, and to afford the House an opportunity of going into the whole subject. He proposed to make a somewhat full statement in reference to the various matters treated of, including the clauses to which he had referred, and which hon. members would find enclosed in brackets. In bringing up this bill, he need hardly say that he had, and could have, no other object in view than the public convenience and benefit, by rendering the Postal Service, if possible, more perfect and useful. If, in the course of the examination to which the bill would be submitted by the House, any defects were discovered, he begged to say he would most readily consider any suggestions hon. members might feel at liberty to offer. Before, however, proceeding to the contents of the bill, he would take the opportunity of reviewing the present position of the Postal Service, not in Canada only, but also in the Provinces of Nova Scotia and New Brunswick. As Parliament was about to legislate on this subject for all the Provinces in the Confederation, it was reasonable that the members should be put, as nearly as possible, in possession of all the facts connected with the working of the system throughout the Dominion. Up to the year 1851 the Post Office services of the several colonies in question had been under the control of the Imperial Post Office, but during that year, in consequence of negotiations with the parent State, this important

business was transferred to the care of the several Provinces; under certain conditions, however, as to the rates to be charged, which were to be the same in them all, and, also, as to the Imperial Packet Service. The Postal Service then formed the subject of legislation in the several Provinces, and in some particulars there had been a divergence between them in the legislation enacted. In certain respects he thought the results would prove that the system pursued by Canada, would commend itself as the most satisfactory. In all the colonies the Postmasters were Crown appointments. In Canada and New Brunswick the Postmasters-General had always been political officers, but it had not been so in Nova Scotia. In the cities of Canada, such as Quebec, Montreal, Ottawa, Kingston, Toronto, Hamilton, and London, the Postmasters were paid by salaries, but in all other places by commissions on the amount of their transactions. In the Lower Provinces the offices were divided into Post Offices and Way Offices, the Post Offices being paid by salaries, the others by commissions. This sufficiently described the system, so far as it related to the appointment and remuneration of the Postmasters. As to the rate of postage, it was fixed in 1857 at 5 cents for prepayment, and 7 cents when not prepaid. In Canada there was besides a system of drop letters, that is of letters posted in a locality to be delivered in the same, and for this service 2 cents per letter was charged, and be understood that in New Brunswick the same system had been extended to frontier towns, so that a letter dropped in a frontier town in that Province was delivered in an adjoining frontier town in Maine for 2 cents. In Nova Scotia it was carried still further, as a letter would be delivered in any part of the country in which it was mailed for the same sum. The 5 cent and the 7 cent rates were general throughout the British Provinces. Thus, for 5 cents prepaid a letter could be sent from any part of Ontario to any part of Nova Scotia. With reference to the postage of Great Britain, it was 12½ cents by the Allan line of steamers, which sailed from Montreal and Quebec in summer and from Portland in winter. In two of the Provinces which chiefly used the Cunard line the same rate was paid on mails by Halifax, but in Canada, if the correspondents availed themselves of the Cunard line, the rate was 17 cents or 12½ cents, and 2d sterling for United States transit rate, fixed by an agreement between the United States and Great Britain. In Nova Scotia correspondents using the Allan line

paid 5 cents extra to cover the postage to Portland. In Canada books and samples were brought by the ocean steamers for 3d sterling per 4 ounces.

Hon. Mr. Odell said that the system of drop letters in New Brunswick did not extend to American frontier towns: this was a misapprehension.

Hon. Mr. Campbell must have been misinformed, but he thought he had learned it from official reports. In Nova Scotia letters from Halifax were sent by the Cunard steamers to Boston for 10 cents, and from the interior for 13½ cents. In all the colonies the postage on books and printed matter was paid to the frontiers of the United States, and the United States paid their own to the British frontiers in the same way. He now came to the important part of the measure, and one concerning which probably some difference of opinion would be found to exist in the minds of hon. members from the Lower Provinces—he alluded to the postage on newspapers. In the Lower Provinces this service was free. In New Brunswick, whether the papers were sent from the office of publication or were mailed by individuals, there was no charge for postage. In Nova Scotia British and Colonial papers, as well as religious periodicals, were carried without charge, the others paid one cent. In Canada papers sent from the publishing office were charged one half cent, and the amount was collected from the subscribers quarterly in advance, but, if the postage was only paid at the time the papers were delivered, the charge was one cent per paper. In all the Provinces exchanges were carried free of charge. The rate in Canada on periodicals was one cent per 4 ounces, in New Brunswick 2. In Nova Scotia, when sent from the office of publication, they were free, when sent otherwise, 2 cents. In Canada books were carried at 1 cent per ounce; in New Brunswick there was no mail book system, and, as far as he had ascertained, none in Nova Scotia.

Hon. Mr. McCully—Yes, we have that privilege.

Hon. Mr. Campbell—Notwithstanding the general principle in Canada, there were exceptions, as papers and small periodicals relating to education, temperance and science were free, but in New Brunswick all were free. In Nova Scotia one cent an ounce was charged on each periodical. In Canada there was a parcel post which carried packages up to 3 lbs. for 25 cents; in the Lower Provinces there was not any.

Hon. Mr. McCully—Yes, a parcel post had lately been established in Nova Scotia.

Hon. Mr. Campbell—In Canada patterns and samples were also carried by mail, but he was not aware that any arrangement of this kind existed in the Lower Provinces. In Canada the correspondence of all the Public Departments was free; in New Brunswick only Post Office Department letters were free.

Hon. Mr. McCully—In the Lower Provinces all the official correspondence was charged, and the Post Office Department credited with the amount.

Hon. Mr. Campbell—Then the registration system differed in the several Provinces. In Canada the registration fee was 2 cents, always prepaid; in New Brunswick 5 cents, when prepaid, and 10 cents when not; in Nova Scotia it was 10 cents, and must be always prepaid. With respect to dead letters, the systems were very much the same. They were kept three months, and, if not applied for, were opened to find the owners. Then the modes of entering into mail contracts were different. In Canada the Post Office Department was obliged to accept the lowest tenders, unless there were strong reasons for refusing, but those reasons had to be reported to Parliament. In the Lower Provinces there were no statutory provisions on that subject, and the arrangements were left to the decision of the Postmaster-General. These divergencies had all supervened since the transfer of the postal service to the several Provinces by the Imperial Government in 1851. The results would best be understood probably by exhibiting the receipts and expenditure of the Postal Departments in these Provinces for 5 or 6 years. He had not deemed it necessary to go so far back as 1851, as that would have entailed an unnecessary labour upon the officers, but he had commenced the comparison with the year 1860, and taken the revenues and expenses in the several Provinces. The results would probably appear somewhat favourable to Canada, and he thought the principal reason would be found in the collection of newspaper postage. The postal revenue in Canada in 1861 was \$683,034 and the expenditure \$719,056, showing a deficit of \$36,023 or 5½ percent on revenue. In New Brunswick for the same year the revenue was \$46,658 and the expenditure \$71,187, showing a deficit of \$24,529 or 52½ percent. In Nova Scotia for the same year the revenue was \$40,052 and the expenditure \$69,444, showing a deficit of \$29,392 or 73 percent. In 1862 in Canada, the revenue was

\$723,052 and the expenditure \$750,514, showing a deficit of \$27,462 or 4 per cent. In New Brunswick the revenue for the same year was \$46,489 and the expenditure \$69,625, showing a deficit of \$23,156 or 50 per cent. In Nova Scotia for the same year the revenue was \$45,100 and the expenditure \$68,305, showing a deficit of \$23,205 or 52 per cent. In Canada in 1863 the revenue was \$759,475 and the expenditure \$753,057, showing a surplus of \$6,318 or nearly one per cent. In New Brunswick for the same year the revenue was \$46,146 and the expenditure \$67,384, showing a deficit of \$21,241 or 46 per cent. In Nova Scotia for the same year the revenue was \$48,174 and the expenditure \$70,389, showing a deficit of \$22,215 or 46 per cent. In Canada for the year 1864, the revenue was \$829,805 and the expenditure \$803,962 showing a surplus of \$25,843 or 3 per cent. In New Brunswick for the same year the revenue was \$51,184 and the expenditure \$71,974, showing a deficit of \$20,790 or 30 per cent. In Nova Scotia for the same year the revenue was \$56,207 and the expenditure \$73,163, showing a deficit of \$16,956 or 30 per cent. In Canada for the year 1865 the revenue was \$834,096 and the expenditure \$851,870, showing a deficit of \$17,773 or about 2½ per cent. In New Brunswick for the same year the revenue was \$51,278 and the expenditure \$71,906, showing a deficit of \$20,627 or 40 per cent. In Nova Scotia for the same year the revenue was \$62,371 and the expenditure \$80,947, showing a deficit of \$18,576, or 30 per cent. In Canada for the year 1866 the revenue was \$878,413 and the expenditure \$894,561, showing a deficit of \$16,147 or nearly 2 per cent. In New Brunswick the revenue for the same year was \$56,509 and the expenditure \$72,546, showing a deficit of \$16,036 or 30 per cent. In Nova Scotia for the same year the revenue was \$69,010 and the expenditure \$86,127, showing a deficit of \$17,116 or 25 per cent. In Canada for the year 1867 the revenue was \$914,783 and the expenditure \$924,319, showing a deficit of \$9,536, or 1 per cent. The results for the Lower Provinces for last year could not be stated, as no returns had yet reached the Department. It was also proper to state that the expenditure of Canada embraced a sum of \$60,000 charged to the Department as part contribution to the subsidy paid by the Government for the ocean mail steamers.

Hon. Mr. Ferrier—This was not the whole subsidy.

Hon. Mr. Campbell—No, only part of it. Anterior to 1861 several contracts were made for the ocean mail service. The first was with

the firm of McLarty and Co., of Liverpool, which broke down within less than a year. The next was with the Messrs. Allan of Montreal, who were paid £24,000 per annum for a fortnightly service. The next was with the same firm for a weekly service, and they received \$220,000. The next was entered into in April 1860, again with the same house, and the Government agreed to pay them \$416,000 per annum. That year the line suffered several grave mishaps, and it fell somewhat into disrepute, the result was that the contract was abrogated. The fifth contract was made in 1864 for a weekly service, and at the rate of \$218,000 per annum. Of this sum, as he had stated, the Post Office Department was charged with \$60,000 as their share of the services rendered by the line to the country, the balance being regarded as payment for the general advantages the country received from the enterprise. This payment of \$60,000 by the Post Office Department should be borne in mind in estimating the relative results of postal operations in the Provinces, for as he understood the other Provinces were subject to no charge of this kind.

Hon. Mr. McCully—No; but the Imperial Government receives the whole of the Ocean Mail Postage, to and from those Provinces, whereas Canada receives the postage on the mail matter carried by its steamers.

Hon. Mr. Campbell—Then there were other large differences against Canada. For instance it paid large sums for Railway Service, but it did not appear from any reports he had ever seen that the Post Office Departments in the Lower Provinces were charged anything for this service, although they had considerable lines of railway.

Hon. Mr. McCully could speak for Nova Scotia, and happened to know that in that Province the railways were paid at a certain rate per mile for carrying the mails. The Railway Commissioners debited the post office and the Government recredited the Department.

Hon. Mr. Campbell—Well, there was no trace of such arrangement that he had seen in the Public Accounts of that Province. The payments in Canada by the Post Office Department to the railways were very large, and had been causes of serious disputes, which, however, had been finally satisfactorily settled.

Hon. Mr. Botsford—Were these claims over and above the sums stated for the service?

Hon. Mr. Campbell—No; but they had formed large accumulations over what the Government had deemed themselves bound to pay. The difficulties were arranged by an arbitration composed of Mr. Chancellor Blake, Hon. Judge Day and Mr. Wicksteed. The claims were adjusted and the awards paid, and, on the recommendations of the arbitrators, certain rates of remuneration for the future were adopted. The Grand Trunk was paid \$150 per mile, per annum, which last year amounted to \$150,275; the Great Western \$124 per mile, per annum, being less of an artery than the Grand Trunk, and the gross sum paid the company last year was \$44,237. Other and smaller railways serving as collateral lines were paid 8 cents per train, per mile on passenger trains, on mixed trains with a post office car 6 cents and on ordinary trains 2 cents. Now he was under the impression that there were no equivalent payments for Postal Service in the Lower Provinces, but, as the honourable member (Mr. McCully) had stated there were in Nova Scotia, at least it must, of course, be so. The Honourable Minister of Marine had just informed him that there were no railway mail charges made in New Brunswick. Now, taking these facts into consideration, he thought he was entitled to say that, after the statements he had produced the results of the postal system in Canada were very strongly marked in its favour.

Hon. Mr. McCully repeated that the Government in Nova Scotia paid the railways for the Postal Service, for he himself had been in charge of the railways, and knew that some difficulty had arisen as to the amount which should be allowed them therefor.

Hon. Mr. Mitchell said he held in his hand the accounts, and no such charge appeared in them.

Hon. Mr. Campbell—Well, the results were doubtless strongly shown by the larger revenues in Canada. As to the extent of the services rendered by the postal system of Canada, he begged to state a few figures. The number of post offices in Canada in 1866 were 2,333, the number of miles of mail travel 6,500,000; the number of letters 14,000,000 and newspapers 14,200,000. In New Brunswick the same year, there were 46 post offices and 392 way offices, the number of miles of mail travel 779,000, and letters carried 1,738,000. In Nova Scotia in 1865 there were 81 post offices and 513 way offices; the number of miles of mail travel 1,005,000, and of letters carried

1,725,000. He had seen no official record of the number of newspapers carried in either of the Lower Provinces, but from a newspaper article copied into the Ottawa TIMES he learned that in New Brunswick in 1865, they amounted to 3,729,000, exclusive of those brought by the Ocean Steamships which might make 50,000 more. As to postage stamps sold in Canada in 1866, they amounted to \$480,000, in New Brunswick to \$38,000, and in Nova Scotia in 1865 to \$54,000. The next item was the money order business. In Canada in 1866, the issues were \$1,720,000; in New Brunswick \$280,000, and in Nova Scotia in 1865, \$378,000. The charges upon the money orders were the same in all the Provinces. For sterling orders drawn on Great Britain, the commissions were for £2 and under, 25 cents; for £5 and under, 50 cents; for £7 and under, 75 cents; and for £10 and under, \$1. The Local Orders were issued at $\frac{1}{4}$ per cent on the amount. In Canada they were graduated by steps of \$20 and in the Lower Provinces by \$10, the Departments having the benefit of the fractional differences of commission between the smaller and larger sums. Here the hon. Postmaster-General repeated his conviction that the results were in favor of the Canadian system, and that on the whole it might be considered as highly satisfactory.

Hon. Mr. Wilmot said he did not see in the Canada Postal Accounts the charge of \$60,000 for Ocean Mail Service.

Hon. Mr. Campbell—It was charged with other sums under the head of payment for Steamboat Service. There were several other items coming under the same head; for instance, \$1,000 per trip was paid to a line which went to the Lower Ports, \$1,000 for Steamboat Service on the Ottawa, and another sum to the steamers between Quebec and Montreal, and others besides.

Hon. Mr. Anderson—Perhaps the postage collected by Canada on the letters carried by its Ocean Mail Line might more than defray this sum of \$60,000, whereas, the Imperial Government had the benefit of all the Ocean postage to and from the Lower Provinces.

Hon. Mr. Campbell—Was all the sea postage on such letters in the Lower Provinces paid to the Imperial Government?

Hon. Mr. Anderson—It was all paid into the Commissariat for the Imperial Post Office.

Hon. Mr. McCully—The arrangement, he thought, operated against the Lower Provinces, for, while Canada might collect more

than the \$60,000, it paid for the service, the Imperial Government received all that was collected in those Provinces for the same kind of service, except a very small fraction.

Hon. Mr. Campbell—Well, the facts mentioned by the hon. member, subject to correction, no doubt modified in some degree the conclusions he had drawn as to the comparative results of the Postal systems in the several Provinces. Now it was with reference to the Postal service and Postage charges in these Provinces, in the stage which he had described, that the present bill was prepared and submitted. The main changes proposed to be made by the measure, related to charge on local letters, to newspaper postage, to the time for payment of the latter, and to the establishment of Savings Banks. He was somewhat embarrassed as to which subject he should treat of first. He did not suppose, however, that any objection would be made to the reduction on the rate of letter postage. Everybody seemed disposed to pronounce this at least a good measure, though some newspapers had said the bill did not go far enough, and that the rate should have been reduced to two cents. They saw some charm in the figure 2 which they did not see in the figure 3, but he himself could not discover it. In Great Britain, to be sure, the rate was 2 cents, but it was only after a long time that it had succeeded. When the rate was reduced to that charge the Postal revenue showed a surplus of a million and a half of pounds sterling, but it was only within two or three years that the Department had reached the position as to surplus revenue it had twenty years ago. Then England was a very different country from Canada. Here we had long distances to carry the mails, and through a sparse population, whereas there the reverse was the case. The analogy was greater in respect to the United States, and yet even there the advantages were greater than in this country, and there the rate was 3 cents. Yet after much careful consideration and counsel with the Deputy Postmaster-General, who, he had no hesitation to say, was one of the most valuable officers this or any other country ever had, he had resolved to recommend a prepaid letter rate of 3 cents in future, and this he thought was as low as it was possible to go. In doing so the country would have to meet a considerable deficiency, but it was done under circumstances which made him sanguine that in a short time it would be overcome, and a surplus be again attained. In his opinion it was desirable that the Postal service should be expected to yield a revenue. The service

should be performed as low as possible, and if it paid its way, that was all that should be desired. But, judging by the experience of the past and the prospect of increased correspondence, he did not think it would be more than two years before the income and expenses were equalized. The calculations he had made would probably enable the House to see whether his expectations were well founded. The revenue for the whole Dominion in 1867 was estimated at \$1,050,000. From this gross sum there were to be deducted certain items which would not be influenced by the change proposed. The ocean postage, the parcel postage, the newspaper postage, and the United States postage fell within its category, and, deducting these, the sum of \$600,000 derived from the 5 cent rate only would be affected by the reduction. On this sum a reduction of two-fifths, or \$240,000, would take place. But, assuming that, in consequence of the change, there should be an increase of 25 per cent in the correspondence (as was the case in the United States when in 1851 they reduced the rates 22 per cent, and increased the correspondence by 30), a considerable part of the deficit would already be made up. Then, supposing the newspaper postage was agreed to—a proposition which he knew did not meet with favour on the part of the Lower Province members—and applied to the whole Dominion, and, moreover, that the exemptions in favour of religious, educational and temperance publications were abolished, there would be other considerable offsets to the deficiency. These items, he thought, would yield an increase of \$40,000, and the dead letters \$10,000 more. Altogether, the increase, the newspaper postage, the withdrawal of exemptions, and the dead letters, were expected to give \$140,000, which, put against the estimated deficit of \$240,000 would leave only \$100,000 to be provided for at the end of the first year. Now, if his expectations were realized, he hoped that in two years the Department would again be self-sustaining. He was persuaded that the more hon. members reflected upon the subject the more they would be satisfied that it would be injudicious to reduce the letter rate below three cents. Then, as to the charge on newspapers, he must take it for granted that, whatever course was pursued, all parts of the Dominion in this respect must be placed upon terms of equality. It could not be supposed that any difference should be made in favour of any one or two Provinces. If all parts of the Dominion were to be placed upon terms of equality in all respects, and the Lower Provinces must be exempted from the payment of

newspaper postage, then both Ontario and Quebec must be so too, and this would involve the surrender of at least \$90,000 yearly, of which \$40,000 would be from papers published and despatched from the publishing offices, in the Provinces, and the rest from foreign papers and papers mailed by private parties. Now, in his opinion the large postal deficiencies in the Lower Provinces had arisen from the relinquishment of the newspaper charge. He had now before him the report of Mr. Odell, P. M. G. for New Brunswick, and he stated the newspapers carried in that Province as 3,629,000, exclusive of those which were brought by the ocean steamers, his whole estimate being about 4,000,000. He had no official statement for Nova Scotia, but it was said they would reach there about 5,000,000, upon all of which 9,000,000 there was no postage. Now the question for the House to consider was whether these nine millions, with the fourteen million two hundred thousand carried in Canada, would henceforth be free of charge?

Hon. Mr. Wilmot — Supposing a newspaper from Canada had a stamp, could it not be carried through New Brunswick free?

Hon. Mr. Campbell—It was not of much use arguing that question. One argument against the newspaper postage was that it was a tax upon knowledge, since it was said to hinder its dissemination by means of such newspapers. This argument had, no doubt, a specious sound. It was one of the principal ones contained in a series of resolutions of the press of New Brunswick, which he would now read:

1st. That the press being a prominent means of enlightening and educating the people, it is unwise to circumscribe the sphere of its influence by the imposition of a tax, which must in most cases have this effect, and which, being novel in the Maritime Provinces, would be the more severely felt, and especially in the rural districts, and would be appealed to as an evidence of the injurious effects of Confederation.

2nd. That the principle of exempting the press from postage, on the ground of its being a means of promoting education, and diffusing scientific and general knowledge, is now recognized in the Consolidated States of Canada.

3rd. That the imposition of newspaper postage would involve additional labor, risk and expense on the part of publishers, to an extent at least equal to the amount of revenue derived from this source, and would therefore place additional burden on a class of persons

who pay their fair share of taxation otherwise.

4th. That the collection of newspaper postage, if made effective, and accompanied by proper checks and rigid surveillance over publishers' issue lists, must involve so much additional expenditure on the part of the post office as would tend materially to decrease the revenue derived from this source.

5th. That the carrying of newspaper imposed very little expense on the Post Office Department in addition to what is incurred by the carrying of letters; all other legitimate means of raising a revenue should for this and other reasons already stated be exhausted before this mode of doing so should be adopted.

6th. That the representatives of New Brunswick in Parliament, who concur in the sentiment expressed in these resolutions, be respectfully requested to use their influence to prevent the imposition of newspaper postage. The other journals published in our Province have been communicated with by telegraph, and their concurrence in the above resolutions has been received.

Well, as to the tax on knowledge, he must confess he did not see much force in the argument. A tax was an impost levied for the benefit of the State.

Hon. Mr. McCully here referred to some of the statements of the Postmaster-General with reference to the mail matter in Nova Scotia, and read from the Journals of the Parliament of that Province some items which seemed to conflict with them.

Hon. Mr. Wier—These statements only refer to the City of Halifax.

Hon. Mr. Campbell, resuming, said the argument of a tax on knowledge could not be sustained. It was not a tax, but a charge for a service rendered. Surely it could not be said with truth that the agent who carried an article at the very lowest possible cost imposed a tax upon it. The reverse was rather the case, and, instead of the Post Office hindering the circulation of papers, it facilitated it in an extraordinary degree. All that was asked in return was the bare cost of the service. And what after all was the meaning of the objection? Why that the wares of certain persons should be exempted from the cost of carriage while everybody else paid. They did not ask to be put upon an equal footing with their neighbours, but upon a better one. If the Post Office must carry newspapers free, why might

not other merchandize be carried on the same terms, and moreover delivered at the expense of the Department? If newspapers must be carried free, why should not the types and forms, and implements of the printers be carried free too? If the argument was good in respect of the newspapers, it was, he maintained, equally good in regard of all the printers belongings. This he conceived would be a most exceptional kind of legislation—class legislation in fact. It was neither more nor less than saying that this order of men were not willing to pay for an important service rendered them. In the Lower Provinces they had apparently succeeded, and so they had in the United States, where the press had an undue influence, but he could not help thinking that too much deference had been paid to their demands, and that the exemption was unfair to a large part of the community. Why should the man who does not read and does not want a newspaper be required to pay for the man who does, and why should newspaper publishers, above all the classes engaged in business, claim such a privilege? The other arguments of the New Brunswick press were less open to reprobation, yet he would ask whether these newspapers—the educational and scientific—were established from motives of patriotism or philanthropy? Were they not, on the contrary mere business enterprises, with the view to gain like all other industrial concerns? It was his desire to abolish the exemptions, and he believed that many, if not all, of the ordinary newspapers, were found to inculcate as effectually lessons of morality and virtue as those which claimed to pass free on educational, religious, or temperance grounds. If a man invested \$10,000 in an agricultural or temperance publication, he did it because he hoped it would pay, and he could not understand why he should be entitled to greater consideration or indulgence than other publishers. The resolutions also assumed that it cost the Post Office nothing to carry newspapers, but the argument would do quite as well in respect of letters. The newspaper man says, "You have to send the mail with letters whether or no, and you may as well take my paper along," but the man wishing to have letters carried could turn round and allege that, as the Post Office had to send papers along, it might just as well take his letters for nothing. The argument was of equal force in both cases. Large sums were paid for the transport, for servants and appliances, and the whole receipts were expended in the service. What more can be asked? The next resolution did not contain the vestige of an argument. The

difficulties alluded to had been overcome in Canada, and could no doubt be elsewhere. Now, as to the prepayment of the charge, he admitted that here there might be some room for difference of opinion. If prepayment is exacted, it will have a tendency to make the newspaper business more compact, and the publishers will be more careful to send them only to persons who they will have good reason to believe will pay. The allegation that prepayment would absorb too much capital, and that it would enhance the losses already too frequent, seemed to be particularly relied upon, and there were other reasons urged besides. Well, he had been informed that publishers often sent papers when they had no expectation of payment, in fact distributed a great many gratis, but that they did this with the view of increasing their advertising patronage, and that they found their account in it. If this was true, might he not ask which should pay the postage, the party who indirectly got back his money by means of advertisements, or the public who received no advantage whatever from the transactions? Now, in favour of prepayment, he would say that, for the purpose of collecting the \$40,000 which accrued to the Department from the newspapers sent from the publishing offices for regular subscribers, the Department had to open accounts at every Post Office in the country. Some of the large papers went to over one thousand offices, and accounts had to be kept for the ten, twenty, thirty, or forty subscribers at each place, and the Postmasters were thus forced to act as agents for the printers. He had now an ordinary quarterly account before him, taken up casually, just because it happened to be on his table. He might have got others that would have served his purpose much better. It was that of the Postmaster of St. Hyacinthe, a town east of Montreal, containing a few thousand inhabitants, and he found that the office had to collect the postage upon forty different newspapers, and three hundred and forty-two persons, while the whole sum received amounted to \$11.17½, and this was a sample of the labour entailed upon over two thousand postmasters, by the present system, all of which would be avoided by prepayment. Why should the Postmasters have this trouble? But it was said that the postage being in broken sums, it would be exceedingly difficult to remit them. Well, he thought that, instead of the seventeen cents, which would be the postage for a year on a weekly paper, the publishers could easily substitute 25 cents and add that to the subscription price; and so on for other

classes of papers. The system of prepayment would induce the adoption of the cash system more extensively, which he was persuaded would be an advantage to all parties. It might possibly diminish the subscription lists a little, but this would be counterbalanced by great advantages. He had however, already admitted that this particular point left room for argument, and he would therefore leave it for the present. He had now touched upon all the postal changes proposed, and came to the essentially new feature of the bill—the creation of Post Office Savings Banks. These institutions had now been established in Great Britain for some years, and had been attended with the most satisfactory results. It had been thought of late years in Canada that it was proper to invest the savings of the working classes with greater security than they actually possessed. He rather thought that, on the whole, the Savings Banks of the Lower Provinces had been better in this respect than those of Canada. It was true that there had been but few disasters in connection with these institutions even in this country, yet many hon. members would recall some painful instances of this kind, and, if the system could be successfully grafted in Canada, it would be a great boon to the people. The provisions embodied in the bill were taken *verbatim* from those of the Imperial Act. The Hon. Postmaster-General then quoted the clauses, and said it was proposed to open such offices in sixty or seventy of the principal cities and towns, and, as the system became established, the number could be increased: Any one depositing would receive a pass-book, in which the sum lodged would be entered by the Postmaster, to which he would sign his name and affix the stamp of the office. He would then advise the receipt of the amount to the Department by means of a printed letter for the purpose, and, on receipt of it, the Postmaster-General would write back acknowledging the receipt of the money. The entry in the book would be good for ten days, and, if within that period the receipt had not reached the depositor, an application for it would give further validity to the transaction for ten days more. The account would not be kept at the Post Office receiving the money, but, at the Head Office in this city. Then, if the depositor wanted to draw out his money, or any part of it, by the production of his pass-book, and the acknowledgment of the Postmaster-General in his hands, he could do so at any Post Office empowered to do this kind of business. He would apply to the Postmaster, and his application would be im-

mediately sent to the Postmaster-General, who by the next mail would transmit the necessary authority to pay. This was the English system, and as it would be seen, it afforded perfect checks and entire safety. It was proposed to limit the minimum deposits to one dollar, upon which, when three dollars had been lodged, interest at the rate of four per cent would be allowed. This would be equal to one cent a month, and the matter would be so simple that the depositor, however uneducated, could keep the account himself. The figure 3 and its multiple was adopted because of the convenience it afforded in the calculation of interest. The management of the business would cost between one and two per cent. so that the money would cost the Government about six, which was as much as they should pay. The money order office required about the same amount of labor to carry it on, and the charges come to about the same thing. The matter had been carefully calculated in England, and similar results arrived at, viz.: between one and two for management. Where sums of more than \$100 were deposited by the same person, power was taken by the bill to give a receipt bearing five per cent, subject, however, as in the case of interest deposits in banks, to a certain notice before withdrawal. When cash deposits reached \$500,000 the Minister of Finance would be authorized to invest such excess in Provincial debentures. The object of this was two-fold. As interest would have to be paid, the money should be so employed as to earn it, but the investments should be of a character which, in case of sudden calls, could be realized. The Minister of Finance would, of course, buy the debentures at the market value, and, if at a discount, it would be so much profit. He (Mr. Campbell) had, however, thought, after the bill was printed, that authority might be given to the Minister of Finance to substitute new debentures in the event of his requiring to realize, instead of selling any he might have in his hands, with only short times to run, as the latter would not be so likely to command good prices as those of longer periods. This amendment could be made in Committee of the Whole. There were the provisions for the establishment of the Savings Banks. The bill contained other clauses, but they had respect to matters of detail, which could be gone into in Committee. He would just say in conclusion, that the bill, instead of conferring upon the Governor in Council, as in the old Act, conferred them directly upon the Postmaster-General. This had been done, not to give a

greater influence to that Minister, but for the sake of convenience. The hon. member then moved, seconded by Hon. Mr. Blair, that the bill be now read a second time.

Hon. Mr. Bourinot would not hesitate to say that he approved of the general principles of the bill now before the House. There was only one feature in it to which he had an insuperable objection, the purpose of placing a tax on newspapers, and he hoped sincerely that when the bill was in Committee of the Whole, it should be so amended as completely to remove so objectionable a feature. Notwithstanding the ingenious reasoning of the Hon. Postmaster-General with the purpose of showing that the newspaper business was carried on much in the same way, and with precisely the same view, as persons usually carry on business of whatever nature, and that the newspaper proprietor ought not to be entitled to greater advantages through the medium of the mails, than all other persons who used the post in connection with their business had, he could not help expressing his belief that the imposition of a postage rate on the newspapers would be extremely ill received in Nova Scotia, where no such rate had hitherto existed. When in Halifax, he had frequent opportunities of ascertaining the feeling with regard to this matter. Whenever, indeed, it had been attempted to place a tax upon newspapers, the attempt had invariably been resisted. A postage rate on newspapers was looked upon as a tax upon knowledge, and in his judgment not incorrectly so. The newspaper was a great and sometimes an only means of disseminating information. Many who never read books read the newspaper. Its cheapness, its popularity, the diversity of the matters upon which it treats, and especially the news which it necessarily contains, making it a welcome messenger to the backwoodsman. Often where no book is seen, a newspaper is to be found. To the poorer classes especially as means of information the newspaper is invaluable. He knew of nothing which could create more dissatisfaction gener-

ally than would the imposition of a newspaper postage, which certainly would be regarded in the light of a tax; but in Nova Scotia particularly the imposition of such a duty upon newspapers, for it could be regarded in no other light, would make Confederation most unpopular. It will raise a feeling which it will be difficult to allay; and assuredly he hoped and believed that every gentleman in that House from the Lower Provinces would oppose the impost. The Hon. Postmaster-General also proposed a tax up on periodicals, such as the London Quarterly, the Edinburgh, Blackwood, and such serials as Temple Bar, London Society, etc., which, in his opinion, was much too heavy. He hoped that when the bill was brought up in committee, these matters would be attended to, and he would only further remark that in the coming changes which the new order of things must bring about, that the interests and long services of the gentleman at the head of the Postal Services in Nova Scotia, a gentleman greatly esteemed, and whose services had been most valuable, would not be overlooked. He trusted that in the carrying out of the proposed changes that gentleman would be provided for if displaced, and he would ask the Postmaster-General.

Hon. Mr. Campbell hoped that he would not be required to displace any one, but with regard to the future disposition of officers of the Department, it would be extremely inconvenient to give an answer now, and he trusted the hon. member would not insist upon one.

Hon. Mr. Bourinot having drawn attention to the special requirements of Cape Breton, expressed himself as being sorry for having detained the House so long, the more especially as opportunity for further discussion would be afforded him, and sat down.

The bill was then read a second time, and referred to a Committee of the Whole on Thursday next.

The Senate then adjourned.