

## THE SENATE

Thursday, Dec. 5, 1867.

The Speaker took the Chair at three o'clock.

After routine

### THE JUDICIARY.

**Hon. Mr. McCully** moved that an humble address be presented to His Excellency the Governor-General, praying that His Excellency will be pleased to cause to be laid before this House a statement showing the total expenses of the Judiciary of the Dominion of Canada, so far as the same are chargeable on the Consolidated Revenue Fund for the quarter next commencing on the 1st July, 1867.

What proportion chargeable to Ontario, Quebec, Nova Scotia, and New Brunswick respectively.

To whom paid, when, in what capacity, for what services, and in what courts respectively, distinguishing salaries from travelling or other charges.

What amount for pensions, date of commencement of the same, names of recipients, where resident, and for what services?

What amount for criminal prosecution in each of the Provinces, names of recipients as prosecuting officers, nature of the offences prosecuted, distinguishing those for which convictions were obtained with the punishments awarded.—Carried.

### MARINE AND FISHERIES DEPARTMENT.

**Hon. Mr. Mitchell** moved that the Bill relating to the organization of the Marine and Fisheries Department, be now read a third time.—Carried, passed, and ordered to be sent to the House of Commons.

### POSTAL BILL (IN COMMITTEE).

Pursuant to order the House resolved itself into a Committee of the Whole to consider the Bill for the regulation of the postal service.

**Hon. Mr. Campbell** moved the first clause.

**Hon. Mr. Odell** said that before proceeding further he desired to make a few observations in reply to some of the statements the Hon. Postmaster-General had made in the course of his speech on the occasion of the second reading of the bill, with reference to the postal service in the Province of New Brunswick. His first remarks would relate to payment to

the railways. The honorable gentleman had stated that there was no payment made in New Brunswick for service of this kind, and the Hon. Minister of Marine had corroborated the statement saying at the same time that he held the accounts in his hands, and that no charge of this kind appeared in them. At so great a distance from the place, it was difficult to get all the data that were required, but he (Mr. Odell) had found the Journals of New Brunswick in the Library, and he could now say with certainty that in this respect at least the hon. gentlemen were both mistaken. In his own (Mr. Odell's) report for the year 1865, when he had the honor to be Postmaster-General in New Brunswick, and at page 29, he found this item, "paid to European and N. A. Railway for mail service between St. John and Shediac, \$3,240 for six trips per week during the year, the distance being 108 miles and the miles travelled 67,392. Besides this, there was \$500 paid to D. W. Turner, for conveying and taking charge of the mails between St. John and Shediac Post Offices per E. and N. A. Railway" for the same year. Further there was paid to Expresses from "the Bend" to St. John, per E. and N. A. Railway, \$480; total paid for railway service in New Brunswick in 1865, \$4,220. These items would be found at pages 29 and 30 of the Postmaster-General's Report for that year. He hoped these data would be considered sufficient and tend to rectify the error into which the Hon. Postmaster-General had, no doubt unintentionally, fallen. The next point to which he desired to refer was the "drop letters". The Hon. Postmaster-General had stated that in Canada, the charge upon such letters was 2 cents and the same in New Brunswick, but that in New Brunswick the system extended to the American frontier towns, that is to say that a letter dropped into the post office of a frontier town in New Brunswick was delivered in an adjoining frontier town in the United States for two cents. This was also a misapprehension. The "drop letter" system in New Brunswick was precisely the same as in Canada, and confined as in Canada to posting and delivery at the same post office. It was true that an informal and unauthorized practice had sprung up at Woodstock in New Brunswick, of receiving letters for two cents and delivering them in the adjoining American town of Holton, and that it had lasted for a short time, but in all other parts of New Brunswick the "drop letter" system had always been confined to the office at which the letters were posted. It happened that a former Postmaster-General

in New Brunswick resided in a certain town, and that some of his friends, constituents, having business relations with an adjoining American frontier town it had been found convenient to allow of the delivery of "drop letters" in the latter for two cents. (Hear, hear.) But the practice did not exist anywhere else, and in his opinion was not in accordance with the regulations. He would take occasion here to say that the remarks he had made and any others he might feel it his duty to offer, were presented in the best spirit, and with no desire to censure the Postmaster-General for any statements he had made, assured as he was that that hon. gentleman had spoken only what he deemed to be correct. But he (Mr. Odell) owed it to the position he had occupied in New Brunswick to correct the unintentional errors into which he had fallen. That Hon. Minister had also said that in New Brunswick there was no book post system, and so far as he had been able to ascertain none in Nova Scotia. This was also a misapprehension, for they had had a book post for many years in that Province, the terms being under two ounces free, over two ounces one cent per ounce. By reference to the Revised Statutes of New Brunswick, consolidated in 1854, it would be found that the book post system was then in existence, and that since that period other regulations had been made on the subjects. The hon. member here read the enactment. He would now come to the parcel post, which the Hon. Postmaster-General had said did not exist in New Brunswick, but this also was erroneous, for such a post had been in operation for a long period, and in 1865 its operations had been extended to both Nova Scotia and Canada. Indeed this arrangement was effected by himself in 1865, after correspondence with the Departments of both those Provinces, and the rate charged was 25 cents per lb., limited to 3 lbs.

**Hon. Mr. Campbell** said he had stated a sample and pattern post.

**Hon. Mr. Odell**—In the report of the Postmaster-General's speech, it was stated no parcel post existed. He did not say there was a separate arrangement in New Brunswick for sample post, but at any rate there was a parcel post. He had deemed it proper to make these corrections, not wishing it to go abroad without contradiction, that New Brunswick was so far behind the age. Then as to the comparative statement of revenue and expenditure, showing so large a difference in favor of Canada as compared with New Brunswick,

he had also a few words to say. It was true that in the light presented by the Hon. Postmaster-General, the comparison seemed to be largely in favour of Canada, but the matter was susceptible of being exhibited in different aspects, and with the help of a friend who had assisted him in making the calculation, he was now prepared to say that the mail travel in New Brunswick was nearly one half mile more per head of the population than in Canada, while at the same time Canada paid nearly 20 percent more for conveyance. Then again the larger revenue in Canada arose, as was admitted by the Postmaster-General, in great part from the collection of a tax which was not imposed in either New Brunswick or Nova Scotia, that is on newspapers, which in New Brunswick passed free whether they came from any of the British possessions, the United States, or any other place. Now it could not be doubted that the conveyance of newspapers added largely to the expense of the post office, for newspapers were both bulky and weighty, and when contracts were regulated in a great degree by the weight of mail matter to be carried, as in New Brunswick, the cost was considerably increased. Again, Canada had much greater railway facilities for mail transmission than New Brunswick, and that was an additional item in favour for its postal revenue. Another cause why the revenue of New Brunswick compared unfavorably was its geographical position. Since 1857 when arrangements had been made between the three Provinces for an exchange of letters, New Brunswick had occupied an exceptional and unfavourable position. A letter might be mailed at the extreme west of Canada, say at Sarnia, for the extreme point in Nova Scotia, Cape Sable or Cape Breton, and it passed all the way for 5 cents, prepayment being optional; if not prepaid the rate was 7 cents, but people had in consequence of the fine got into the habit of prepaying, each Province receiving the prepayment and pocketing it. Thus a letter from Canada to Nova Scotia and *vice versa* yielded no revenue to New Brunswick, being carried by its conveyances through the whole length of its extent free, New Brunswick being a sort of pack-horse for the two other Provinces. (Hear, hear.) He would now offer a few remarks upon the changes and new arrangements proposed by the bill, first, as to the reduction on the letter postage, this he highly approved of, though he feared it was too great—a reduction to 2 cents within a Province might first be tried; at the same time he did

not object to it, and if the Hon. Postmaster-General felt himself justified in undertaking it he hoped it would prove successful. The next point regarded the tax on newspapers. This he was also in favour of. He himself when in office had been in favour of imposing a tax of this kind, as would be seen by referring to his Report which he had already quoted from. (The hon. member here read three paragraphs from that Report, the first remarked upon the improper distinction made by the law in favor of requiring papers from the United Kingdom to be stamped, in other words paid, while all other newspapers passed free. The second referred to the large number of newspapers, amounting in the gross to 4,000,000, which were carried free in New Brunswick, but which added greatly to the expenditure of the Department. The third suggested the propriety of imposing a small tax which would at the lowest computation realize \$10,000, without being at all felt by the public. That paragraph concluded by remarking upon the injustice of making the parties who did not take the newspapers pay for those who did.) Some of his predecessors had entertained the same views, but none of them had ventured to bring them before Parliament in the shape of a recommendation, for with the press the measure was of course an unpopular one, and being all members of the popular branch of the Legislature, they had probably dreaded the influence of that powerful agent. (Hear, hear.) The case was different with him, he was in the Legislative Council, like his hon. friend the Postmaster-General, and hence the recommendation he had offered. But the loss to the revenue from the absence of a direct tax on newspapers was not the only loss in connection with that service. The number of papers issued by the publishers did not afford the means of making a fair estimate of the number carried, for they were afterwards mailed and remailed, and went from friend to friend constantly. This was not by any means even the worst feature of the system, for newspapers were constantly and extensively used as the vehicles of taxable matter. Hon. gentlemen would easily understand that with the large mass of newspapers which passed through the post offices, it was utterly impossible to subject each one, or any considerable part, to such an examination as would detect taxable contents. It was when any newspaper exhibited a peculiar appearance, suggestive of possible fraud, that it was closely examined, and the consequence was that specimens of ladies needle work, circulars,

catalogues, and private information, were constantly passing under these convenient covers. Why, at the very time the Hon. Postmaster-General was making his excellent speech, he (Mr. Odell) had received a Canadian agricultural paper, which by the regulations was entitled to pass free, but he found cleverly fitted in the inside another paper, which by the rules was subject to postage.

**Hon. Mr. Letellier**, and you received it free (laughter).

**Hon. Mr. Odell**—He now came to the proposed transfer of power from the Governor-General to the Postmaster-General. He would here take occasion to say that if the present esteemed incumbent could remain permanently in office, he (Mr. Odell) would be glad to extend such powers to him, but Governments were liable to change, and besides life was uncertain, and the office might come into the hands of parties whom it would be dangerous to clothe with such extensive authority. Instances were not wanting in New Brunswick, where the checks provided by the law had been found necessary, and it was possible that other circumstances of an analogous nature and requiring control, had arisen in other Provinces. Another point was allowing public carriers to transport letters. He questioned the propriety of this.

**Hon. Mr. Campbell**—The Postal Bill did not permit this.

**Hon. Mr. Odell**—Yes, if the letters accompanied merchandize. The hon. member had read an extract from his report for 1865, while Postmaster-General, in which the practice in question was represented as affording opportunities for extensive frauds on the revenue, and suggesting an amendment of the law for the purpose of checking them. The last point to which he would advert was the projected Savings Banks. He would not offer any positive opinions on the subject, but would be glad to hear further explanations from the hon. Postmaster-General, showing what were the advantages he expected to derive from the institution. He could not very well see how the people could be expected to deposit their savings in a Bank which only paid 4 per cent. interest, while in New Brunswick they could lodge them at 5 per cent. in another, under Government supervision, and which offered equal safety. He did not know if there was any intention of superseding the other Bank, and would simply propose the question.

**Hon. Mr. McCrea**—It will be better to do so when we get to that section.

**Hon. Mr. Odell** again repeated that his only object in speaking was to make explanations which had appeared to him necessary, and for the purpose of correcting some misapprehensions under which the Hon. Postmaster-General was labouring, and would defer his remarks upon the sections until they came under consideration.

**Hon. Mr. Dickey** said he desired to draw the attention of the Hon. Postmaster-General to the 2nd clause. His hon. friend (Mr. Odell) had remarked upon the frauds perpetrated by public carriers, and he (Mr. Dickey) would just observe that these were but further reasons in support of the proposed reduction of the letter rate, as it would certainly tend to lessen the inducements for such illegal proceedings. The same hon. member had also referred to the frauds upon the postal revenue by means of newspapers, but would they be obviated by the imposition of a tax? The 2nd clause repealed all the existing postal laws, and brought up an important question. He had listened the other day to the extremely lucid speech of the Hon. Postmaster-General, in the course of which he had made certain statements of the bases of the measure proposed. He had then contrasted the results of the postal system of Canada with those of Nova Scotia and New Brunswick, and expatiated at considerable length upon these results as evincing superiority in the Canadian system. The hon. gentleman had said the number of letters mailed in Canada in 1865 was 12,000,000, and had assumed 14,000,000 for the present year. Well, in Nova Scotia the number of letters which had passed through the post office in the year 1860 was 1,426,878, while in 1866 they amounted to 4,863,845, showing an increase of over 300 per cent in six years. The number passing through the Halifax post office alone in that year was 3,816,511, and those passing through the country offices 1,047,334, together as already stated 4,863,845.

**Hon. Mr. Campbell**—Was it not possible that many of them may have been counted twice, first in the country offices, and then when received at the Halifax office?

**Hon. Mr. Dickey**—Well, even supposing that to be the case the number would still be twice as large as that stated by the hon. gentleman.

**Hon. Mr. Mitchell**—Supposing that 1000 letters were posted at Amherst, where the hon.

member lived, and that 500 of them went to Halifax, would the 1000 be counted in Amherst and the 500 in Halifax.

**Hon. Mr. Dickey**—Only a small proportion of the country letters came to Halifax.

**Hon. Mr. Mitchell**—And if this mode of computation applied to all the towns, would not most of the letters be counted twice?

**Hon. Mr. Dickey**—Well, he would give the hon. members a large margin, and yet in Halifax alone there would be twice as many as the Hon. Postmaster had stated for the whole Province. Then as respected the post offices the Hon. Postmaster had given them as 81, and the way offices as 513, whereas they were 84 and 555, in all 639.

**Hon. Mr. Campbell**—That was in 1866, but he (Mr. Campbell) had named 1865, which showed an increase of 3 post offices and 42 way offices for the year.

**Hon. Mr. Dickey**—There was an increase too of 50 per cent in 6 years, because in 1860 the Province had only 416 offices. In Canada in 1855 there were 2,197 post offices, and Nova Scotia, with one-eighth of the population of Canada, showed one-fourth as many. Now as to the newspapers carried in 1860, the number was 2,080,520; while in 1866 they amounted to 5,390,155, showing an increase of 3,309,635 in 6 years. Regarding the income of the Nova Scotia Postal Department it had been stated that it received no benefit from the postage on letters to the United Kingdom, but this was too unconditional an assertion. It reserved a small, but only a small part, about 1½ d. sterling of the 6d. charged, for which small portion the letters were conveyed at the expense of the Department to and from their destination in any part of the Province. It was also correct as an hon. member had stated that the railways in that Province were paid for the mail services they rendered. He would only remark at present upon another feature of the Hon. Postmaster-General's speech, and he would have been glad if the hon. gentleman had been more explicit concerning it. He had laid considerable stress upon the payment to the ocean mail steamers of \$60,000 as part of the subsidy by the Post Office, but he had not told the House that the Department derived a revenue of \$73,000 from the ocean postage by the Canadian steamers.

**Hon. Mr. Campbell**—The exact amount was not ascertained, but it was estimated by the Deputy Postmaster-General at \$60,000.

**Hon. Mr. Dickey**—If the Hon. Minister would refer to the sessional papers of 1866, he would find the amount as just stated by himself, then there was another sum of \$74,479 received from the United States for the same service in steamers sailing from their ports.

**Hon. Mr. Aikins**—The hon. member should bear in mind that Canada paid a subsidy of \$218,000 annually to those steamers.

**Hon. Mr. Dickey**—That was another question altogether. The \$60,000 was regarded as the postal part of the subsidy, and so stated by the Postmaster-General. [Some further conversational discussion of this kind followed, the hon. member (Mr. Dickey) closing his remarks by saying that his only object had been to set Nova Scotia right in regard of some of the statements of the Hon. Postmaster-General, in his speech on the 2nd reading of the bill, which he (Mr. Dickey) thought needed correction.] Because the minister had founded his entire argument for the changes in his bill upon the contrast drawn behind the results of the Post Office system in Canada proper and the Maritime Provinces, and as our interests were now all bound up together, he thought it might be interesting to show the immense progress made under the comparatively economical administration of affairs in Nova Scotia, without resorting to the objectionable tax on newspapers.

**Hon. Mr. Odell**—The Postmaster-General by the 3rd sub clause of the 9th clause under the head "Organization and General Provisions" may enter into and enforce all contracts relating to the conveyance of the mails, and in connection with this power to be given to the Postmaster-General, he (Mr. Odell) would draw the attention of the Senate to the 2nd clause of the 43rd section, in which it is stated that "every ferryman shall upon request and without delay, convey over his ferry any courier or other persons travelling with the mail, and the carriage and horse, or horses employed in carrying the same, and the sum be paid for such service, shall be fixed by contract, or if any ferryman demands more than the Post Office authorities or the contractor for carrying the mail are willing to pay, the amount to be paid shall be fixed by arbitrators, each party naming an arbitrator, and the two arbitrators naming a third, the decision of any two arbitrators to be binding; but as respects payment, this does not apply to cases in the Province of New Brunswick, where mails are carried under existing contracts over ferries without charge. As under the bill in all such cases the right to such

ferriage without charge shall continue in force until the expiration of said contracts." At the expiration of these contracts this privilege, it is true, would cease, but if the contract were a good one for the Department, the Postmaster-General has power to continue it for four years from time to time, and it would bear hard upon New Brunswick ferrymen if they should be compelled to continue ferrying mails free, while this service was paid for in other parts of the Dominion.

**Hon. Mr. Campbell**—The clause in question confers a power on the Postmaster-General of the Dominion with regard to contracts, to which he perceived the late Postmaster-General for New Brunswick was likely to take exception. Before offering an explanation on this matter, he might again remark that all the powers asked for the Postmaster-General in this bill had ever been practically exercised by the Postmaster-General, and in omitting the words Governor-General in Council, he had no idea of increasing the power of the Postmaster-General. The power of establishing and closing post offices, and post routes, has always practically rested with the Postmaster-General, and establishment or removal of an office is usually done on the recommendation of a member of Parliament who gives his reasons, when the Inspector of the Division in which the office is situated is directed to inquire and report, and on his report the Postmaster-General acts. To occupy the time of the Governor in Council with such matters would be extremely inconvenient, and practically, from usage and habit, the establishment or closing of a post office rests entirely with the Postmaster-General. In the matter of appointments, when the Postmaster-General has one to make, he sends the appointment to the Governor in Council, who sends it back to him with his initials upon it, and under our system of responsible Government all goes on harmoniously and must do so. If he differed in opinion with his colleagues even in the matter of an appointment, he must either change his course or resign. The Government were responsible for whatever he did in his official capacity, and practically, the power of appointing to office has been always exercised by the Postmaster-General.

**Hon. Mr. Letellier de St. Just**—In the matter of a large railway contract for instance, would it be proper for the Postmaster-General to arrange it without reference to the Governor-General in Council?

**Hon. Mr. Campbell**—Of course the Postmaster-General would exercise his discretion

as to bringing the subject before the Governor-General in Council if the contract were a large one.

**Hon. Mr. Letellier de St. Just** was afraid of giving too much power to a single individual, who might run the country into debt, or allow contractors to impose upon the country. He did not suppose for a moment that the present Postmaster-General would abuse any power given to him, but a successor might.

**Hon. Mr. Campbell**—The hon. member speaks as if the Government would not be responsible for the acts of the Postmaster-General. However, he cared very little about the matter. If desired as a safeguard, it might be stated in the Act that contracts above a certain sum, \$2,000, \$5,000, or \$10,000, would require to receive the sanction of the Governor-General in Council, although, practically, no greater security would be given to the public than at present, but if the House desired it he had no objection.

**Hon. Mr. Cauchon** thought that most of those things specified in the Bill ought to be in the hands of the Postmaster-General. Were it otherwise, as in the case of small contracts, there would be no end to the references to the Governor in Council. But he was nevertheless afraid to place too much power in one person's hands. It was all very well to say the Postmaster-General would be responsible for his acts to his colleagues and his country, but there is such a thing as divided authority. The Postmaster-General would not abuse his power, but it must nevertheless be admitted that the tendency of humanity is towards despotism, and if an abuse were committed the ready answer would always be, it is the law. If a Postmaster-General should perpetrate some glaring act of injustice, of course he would be dismissed, but how many injustices would be done before reparation was made. The downfall of such a Minister would be the downfall of the Ministry of which he was a member, and the very knowledge of that fact would long keep him in a position which he might have abused. And the plea for all this power being vested in one man is the fear that the Governor-General might have too much trouble in signing his name. On the whole the bill was an exceedingly good one, but this is a new idea and a new principle which he did not like to see introduced.

**Hon. Mr. Wilnot** had objected to the same principle in the power given to the Minister of Marine.

**Hon. Mr. Campbell** attached no importance to the matter whether appointments were to rest with Governor-General in Council or not.

**Hon. Mr. Wark** thought it was safer to have the power of appointment and removal in the hands of the Governor-General in Council. The very best officer, being uncontrolled, might do a thing hastily which he would afterwards repent of.

**Hon. Mr. Dickey** did not think it advisable that the Postmaster-General should divest himself of responsibility by sharing it with his colleagues.

**Hon. Mr. Campbell** did not think the matter worth discussing.

**Hon. Mr. Tessier** was clearly of opinion that practically it was of very little consequence whether the Postmaster-General had directly or indirectly certain powers. So long as he had the confidence of his colleagues, his recommendations would be acted on.

The clauses having reference to "Organization and General Provisions" were then adopted, the **Hon. Mr. Bossé**, however, objecting to sub-clause No. 16, imposing a penalty of £200 against offenders, "whether they be or be not officers of the Post Office."

#### RATES OF POSTAGE.

**Hon. Mr. Dickey**—All must unhesitatingly consent to the principle implied in the reduction of letter postage, but the grace of the boon is much diminished by the intention expressed elsewhere of an additional charge of 2 cents per letter, when letters are delivered by carriers. In prepayment there was a simplicity and obvious economy which strongly recommended it in favour theoretically, but in practice it might be purchased at too great expense, if made compulsory. Indeed, in every country where the experiment of compulsory prepayment had been tried, it had signally failed. It had failed in England, and in France, and had been, he believed, abandoned in the United States, although the mode of prepayment might be said to be very generally practised in these countries. Prepayment should be optional, especially in a country so sparsely populated as this is. In England where there were facilities for the sale and purchase of postage stamps that existed in no other country, good roads, rapid communication from place to place, dense population and stamps sold everywhere, compulsory payment had to be abandoned. In this country with a scattered population, it might in many situations