The Book of Barr Ferree

THE POST OFFICE.

AN HISTORICAL SUMMARY.

Published by order of the Postmaster-General.

LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.
To be purchased, either directly or through any Bookseller, from
WYMAN AND SONS, LTD., FETTER LANE, E.C.; or
OLIVER AND BOYD, TWEEDDALE COURT, EDINBURGH; or
E. PONSONBY, LTD., 116, GRAFTON STREET, DUBLIN.
Also obtainable to order at any Head or Branch Post Office.

PRINTED BY
EYRE AND SPOTTISWOODE, LTD., EAST HARDING STREET, E.C.,
PRINTERS TO THE KING'S MOST EXCELLENT MAJESTY.

June 1911.

Price Ninepence, or, ¼ bound, One Shilling.

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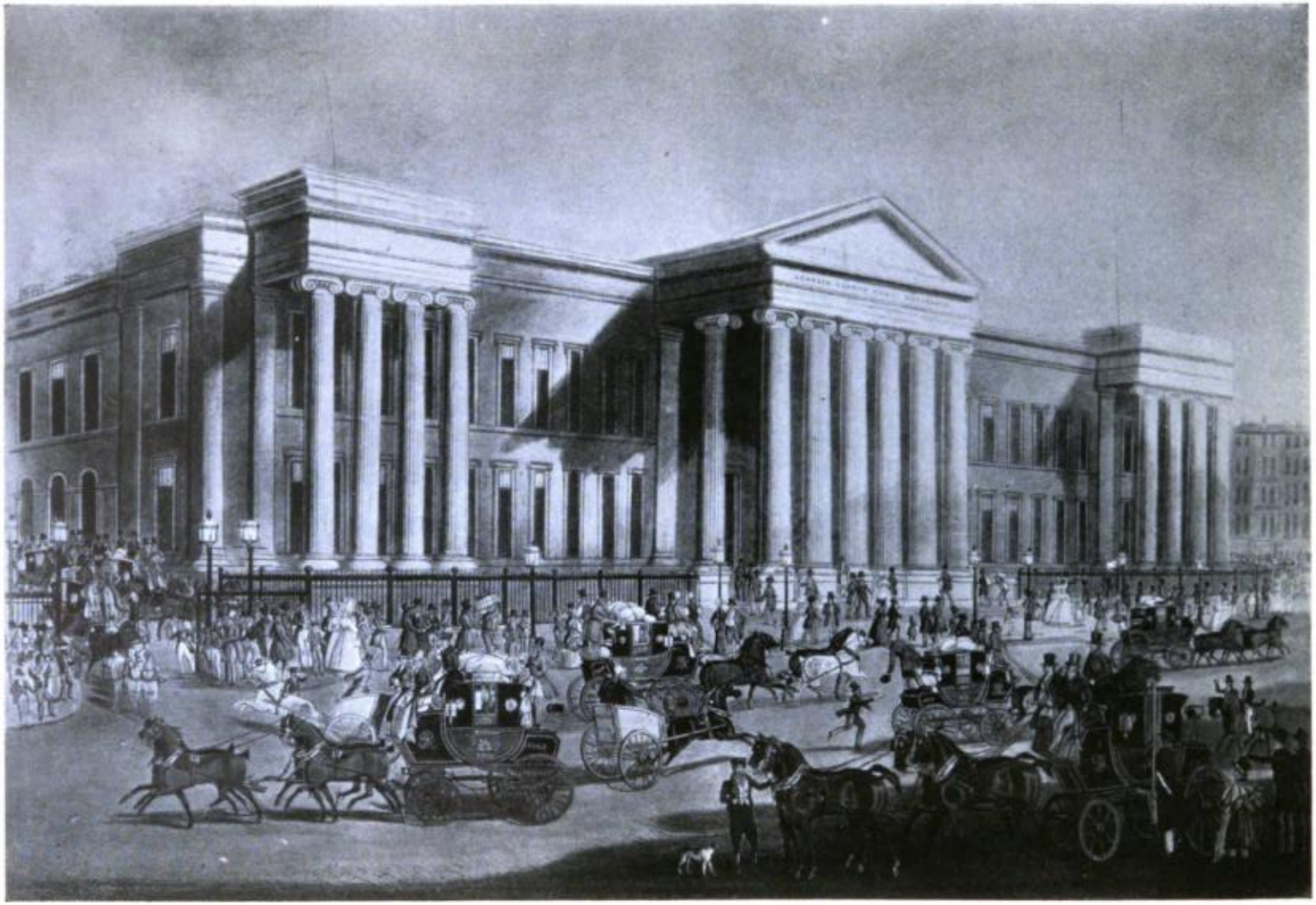
A (34)8191. Wt. 855.—G. 142. 2000. 6/11. E. & S. A 2



THE OLD POST OFFICE—S. MARTIN'S LE GRAND.

From a Print published in 1830.

LIST OF ILLUSTRATIONS.

Historical Summaries of the Post Office Services.

The Old Posts.

The germ of the Postal Service was the organisation of relays to carry the King's despatches. These relays date from 1482: the writer of the third continuation of the Chronicle of Croyland says that Richard III., when expecting the landing of Henry of Richmond, in 1484, "followed the practice which "had been recently introduced by King Edward in the time "of the last war with Scotland (1482), of appointing a single "horseman for every twenty miles, by means of whom travelling "with the utmost speed and not passing their respective limits, "news was always able to be carried by letter from hand to "hand 200 miles within two days." These horsemen were the original "Posts." They requisitioned horses, by the royal right of Purveyance, with the enforced aid of the local authority and paid for them, practically, what they chose. Posts were not originally permanent on any road, but were set up as required. They were controlled from the King's household, and an officer was appointed to direct them, known as the Master of the Posts. The first Master of the Posts whose name is known was Brian Tuke; he was apparently in office as early as 1516. In 1533 he explained the state of the posts to Thomas Cromwell; there were no settled posts on any road except to Dover: elsewhere posts were set up when required, and the constables were often obliged to take horses out of ploughs and carts. Subsequently, the towns from which horses were regularly requisitioned for the Posts made special arrangements; sometimes they paid money to the Post and left the provision of horses to him. The City of London, in the time of Queen Mary, kept horses from Hackney in readiness for the Posts, and these horses, when not required, were specially licensed to ply for hire. For the Posts on the Dover Road, which were clearly permanent, ordinances were issued about 1555. The Posts were to have a monopoly of letting out horses to "Currors"; they were to have a horn hanging at their door, or a painted sign to show it was the Post's house.

The carriage of private letters is dealt with in a Proclamation of Elizabeth in 1591 ordering that no letters were to be sent to or from foreign countries except by the Posts. This Proclamation recites that similar orders had been previously given. The foreign merchants in London had, no doubt, made postal arrangements of their own, which were now to be stopped, but it is evident that the Posts had also carried the letters of private persons, presumably for money and by agreement.

From a Print published in London, November 1st, 1835, by Ackermann & Co., 96 Strand.

QUICKSILVER ROYAL MAIL.

In 1598 fixed Posts were set up—former temporary Posts having been discontinued—to Ireland *viâ* Holyhead, and to Ireland *viâ* Bristol, and in 1603 a Post was set up to Berwick, for Scotland. In the latter year also general instructions were issued for all the Posts. They were to have a general monopoly of letting out horses to riders who are described as "riding in poste (that is to say) with horne and guide." It is again evident that the Posts carried private letters, for the order was that official letters were to be entered in a book, "all others to pass as by-letters."

In 1620 a Post to Plymouth was set up, the Post to Bristol had been discontinued. There had previously been a private letter post from London to Plymouth carried on by a man named Jude. The King's Posts, it appears, competed with Jude for the carriage of private letters, and in 1629 they undertook the carriage of letters weekly on that road and would deliver them within 20 miles of the road. The Posts generally were in a bad state, unpaid and poverty stricken.

The letter service by the Posts, which was thus growing up, was systematised in 1635 by Thomas Witherings under a Proclamation of Charles I. Witherings was "Postmaster of England for foreign parts"—an office created by patent in 1619. (The legality of the patent was doubtful because it infringed the rights of the original Master of the Posts or Postmaster of England, as he was now called; a contest between the Patentees and their respective assignees lasted for many years and accentuated the confusion of the Posts, which would no doubt in any case have accompanied the Civil War.) Witherings had been employed in postal business both in England and abroad before he launched his new scheme for letter posts. The scheme was that he should pay the Posts 3*d.* a mile (2,530*l.* in all), and that they should carry for him a mail of letters. He was to take for himself a postage on the letters:—

2*d.* per single letter up to 80 miles.
4*d.* „ „ „ 140 „
6*d.* „ „ above 140 miles.
8*d.* „ „ to Scotland.

He was to set up the service on six roads, viz., to Edinburgh, Holyhead, Plymouth, Bristol, Norwich and Dover, and he was to have a monopoly. The Post, out and home, was to take six days. Branch Posts were organised to meet the main Posts at various towns.

The advantage of the scheme to the King was that he was relieved of the cost of the Posts; to the public generally there was, no doubt, much advantage by regularity of Posts, but the grant of a monopoly, by which Witherings is believed to have made large sums of money, was opposed to the principles which Parliament was becoming able to enforce. Throughout the long disputes on the subject, however, the system seems to

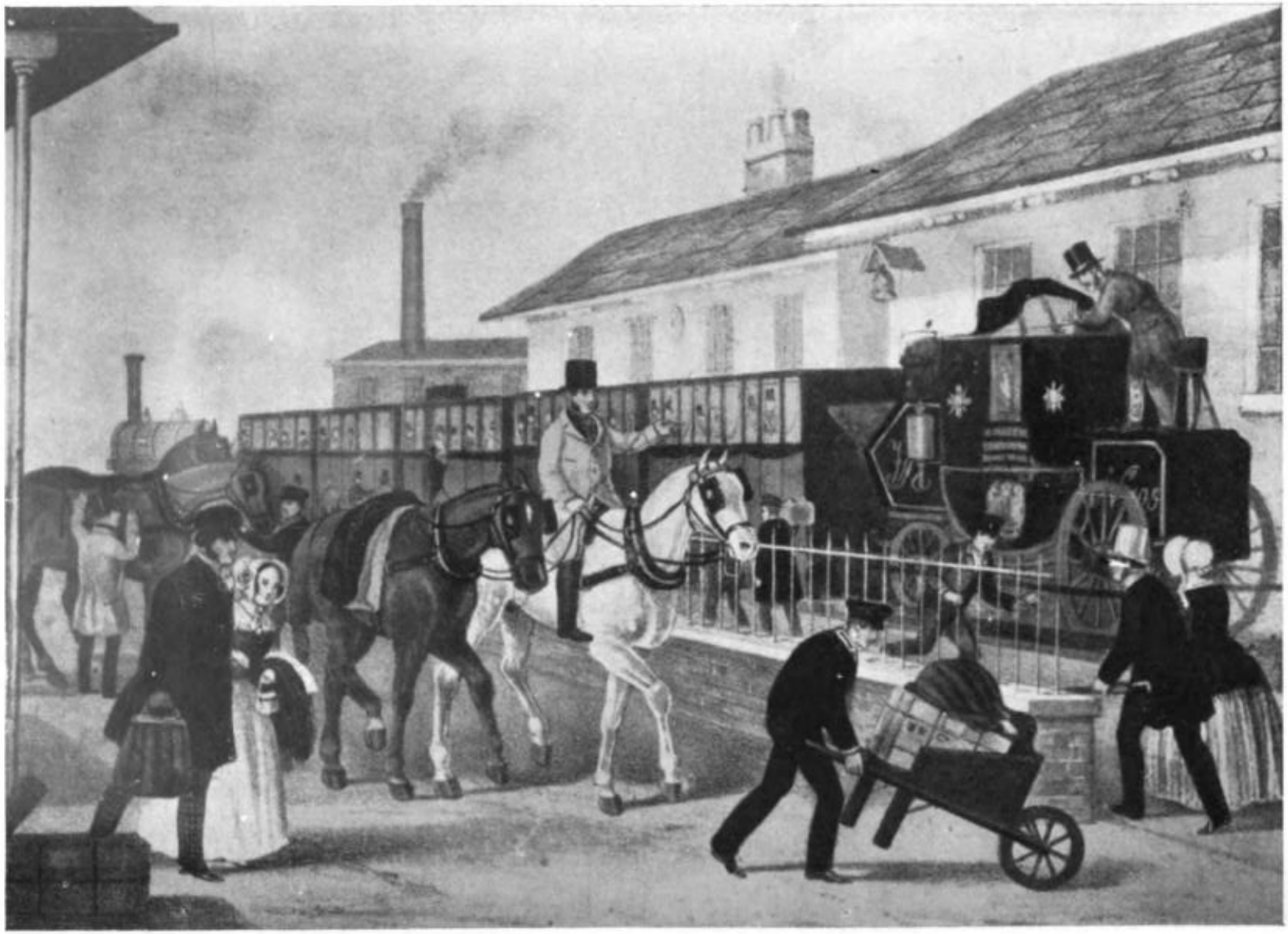
have continued, and the Council of State supported the monopoly by putting down a private post organised by the City of London. But the Commonwealth exacted a large annual payment from the possessor of the letter monopoly, and finally put it up to tender. Thus began in the form of an annual rent the Public Revenue of the Post Office. The right of requisitioning horses of course ceased with other royal rights. Proclamation also—as the means of settling the Posts—gave way to Statute, and on 9th June 1657, His Highness the Lord Protector gave his consent to a Bill "for the settling the Postage of England, Scotland and Ireland." The rates fixed were only slightly altered from those of Witherings. The letter monopoly and the post horse monopoly were both retained, an officer to be called "The Postmaster-General of England and Comptroller of the Post Office" was to be appointed, and the Lord Protector might grant the office subject to a yearly rent. In 1660, on the Restoration, an Act was passed to the same effect.* In 1663, the profits of the Post Office were settled by Act of Parliament on the Duke of York, and his heirs. The Post Office continued to be farmed, and a rent obtained. At this time, there were still six post roads; on the Dover and Colchester roads, the mail came and went every day, on the other roads every other day. There were no cross posts, but the main roads had branches. Also it is stated that "with each mail or packet there goes a bybag "which is carried by the post boy about his middle, in which "all the byletters are put, that is, such letters as are sent "from one town to another upon the roads, which never come "near the Office." In London there were 32 letter carriers. The general farm of the Posts ceased in 1677, but many Posts continued to be farmed locally.

In 1680 a London merchant named Dockwra organised a private local Post for London. He opened several hundred offices, where messengers called for letters every hour, and sent them out for delivery from 4 to 12 times a day. The Post extended from Hackney to Lambeth and from Blackwall to Westminster. Parcels were carried and insured by this post, and postmarks were introduced. The postage was a penny. This penny post was held to be a breach of the Postmaster-General's monopoly and was taken over by the Postmaster-General.

In 1685, on the accession of the Duke of York as James II., the profits of the Post Office were restored to the Crown.

In 1695 an Act of the Scottish Parliament set up a separate Post Office and Postmaster-General for Scotland, but in 1710, by an English Act, dealing with all matters connected with the Post Office, the two offices and officers were re-united. The rates of postages were varied by this Act, as they were often varied subsequently, but they were still calculated on the

* For a note on the office of Postmaster-General and for a list of Postmasters-General and Secretaries, *see* Appendix D.



THE LAST OF THE COACHES.

principle of distance, as originally by Witherings, and the minimum rate—now—3*d.* applied up to 80 miles. A certain proportion of the revenue of the Post was now to go to the public Exchequer; the remainder to the Crown. Subsequent settlements were made from reign to reign between the public revenue of the country and the hereditary revenue of the Crown.

Up to this time there were but two cross Posts: one from Exeter to Chester, the other from Bath to Oxford. All other posts were on the main roads from London, and a letter from a town on one road to a town on another passed through London and was charged with postage on mileage so calculated. There were bye-letters still, passing between one town and another on on the same road. In 1719 Ralph Allen, who had been assistant to his grandmother, the Postmistress of St. Columb, and was now Postmaster of Bath, offered to farm the bye and cross road Posts. He renewed his farm constantly, and when he died 45 years later he had revolutionised the postal service by setting up Posts on the cross roads all over the country.

In 1749 the post-horse monopoly was so restricted by Parliament as not to apply to horses let out for hire to draw chaises, or to carry persons accompanying chaises, and in 1779 the post-horse monopoly was abolished altogether in connection with the imposition of a heavy tax on post chaises to help to provide funds for the American War.

In 1784 a separate Post Office and Postmaster-General of Ireland were set up by the Parliament of that country; this arrangement outlasted the Union, and the Irish Post Office remained under an Irish Postmaster-General until 1831.

By the last quarter of the eighteenth century stage coaches were of course running, and they travelled much faster than the carts which carried the mails. It was a common practice to do up urgent letters as parcels and send them by the coaches. An agitation for the establishment of coaches to carry the mails was therefore set on foot by John Palmer, a theatre proprietor of Bath. He described the postboy of the day—perhaps with some exaggeration—as an "idle boy without character, mounted " on a worn-out hack who, so far from being able to defend " himself against a robber was more likely to be in league " with one." Palmer's scheme was supported by Pitt, then Chancellor of the Exchequer in the Shelburne Ministry, but it was not till after the fall both of that Ministry and of the Coalition that the plan was carried out by Pitt himself, as Prime Minister.

The first mail coach ran on the 2nd August 1784 from Bristol to London. It did the distance ordinarily in 17 hours. The system was soon extended to the other roads.

In 1801 the London penny post was turned into a twopenny post; local penny posts had been set up in a few of the towns, and these remained as penny posts.

On the 11th November 1830 the first rail-borne mail was carried between Liverpool and Manchester, and on the 3rd July 1837 a mail was conveyed from London to Liverpool and Manchester in 16½ hours; it was carried by coach from London to Birmingham and there put on the railway which was open northwards. The last of the old London mail coaches arrived from Norwich and Newmarket on the 6th January 1846. The times of some of the mail coaches are worth recording: the night mail coach from London to Holyhead took 27 hours, to Falmouth 29 hours, to Edinburgh 43 hours, and to Thurso 108 hours.

In the old days, as is well known, letter stealing was punished with death. The last man executed for that crime was hanged on the 13th February 1832, and the death penalty was abolished in 1835.

The rates of postage by the General Post in 1839, just before the great reductions associated with the name of Rowland Hill, were as follows; they had remained unaltered since 1812:—

For a single letter—

											d.
Not exceeding 15 miles										-	4
Above	15	miles	and	not	exceeding	20	miles			-	5
„	20	„	„	„	„	30	„			-	6
„	30	„	„	„	„	50	„			-	7
„	50	„	„	„	„	80	„			-	8
„	80	„	„	„	„	120	„			-	9
„	120	„	„	„	„	170	„			-	10
„	170	„	„	„	„	230	„			-	11
„	230	„	„	„	„	300	„			-	12
„	300	„	„	„	„	400	„			-	13

and a penny more for every additional 100 miles.

There were additional charges for letters conveyed in Scotland by a mail carriage with more than two wheels, and for the sea carriage of letters to Ireland. These last charges varied according to the route taken. From Holyhead to an Irish port the charge was only 2*d.*, from Liverpool it was 8*d.* An additional penny was charged for crossing Menai or Conway bridges.

Packets of one ounce weight were charged as four single letters.

The twopenny post extended to places within three miles from the General Post Office. Within a circle of about 12 miles there was a threepenny post.

The Letter Post in Modern Times.

By an Act of Parliament passed on the 17th August 1839 the Treasury was empowered, until the 5th October 1840, to prescribe postage rates by warrant. By a warrant of the 22nd November 1839 it was accordingly provided that letters should be charged by weight; that each of the first two ½ oz. should be charged one rate, and every additional oz. two rates; that 16 oz. should be the limit, and that a rate should be 4*d*. Certain exceptions were made in favour of existing twopenny and penny posts.

This scale came into force on the 5th December 1839.

On the 27th December 1839 a new warrant reduced the 4*d*. rate to 1*d*., and abolished the system of franking; these further changes took effect on the 10th January 1840.

On the 10th August 1840 these provisions were embodied permanently in a Statute (3 & 4 Vict. c. 96), which came into operation on the 1st September 1840.

In 1847 was repealed the provision that the limit of weight should be 16 oz., and the power of fixing a limit was given to the Treasury.

The Treasury were also empowered by the same Act to reduce, by warrant, any postage exceeding 1*d*. to such rates as they might from time to time think fit.

The numbers of letters passing through the post before and after the changes of postage rates were as follows:—

1839	Letters - - - -	76,000,000
„	Franks - - - -	6,000,000
	Total - -	82,000,000
	1840 - -	169,000,000
Annual average for	1841–45 - -	227,000,000
„ „	1846–50 - -	327,000,000
„ „	1851–55 - -	410,000,000
„ „	1856–60 - -	521,000,000
„ „	1861–64 - -	630,000,000

On the 1st April 1865 (under a Treasury Warrant dated the 18th March) came into operation a change whereby the progression of rates above 1 oz. was to be by ½ oz. and single rates, instead of by oz. and double rates.

The average annual number from 1865 to 1870 inclusive was 791,000,000.

In the year 1870 the numbers are recorded as 862,000,000, and in the following year as 870,000,000. The increase is exceptionally small, and the numbers are open to doubt. It was

discovered a year later that there had been a serious error in counting the letters for 1871, and, although that error was corrected, it is clear that the faulty principle on which the count had been taken may have vitiated the earlier figures. At the same time it may be that the smallness of the increase shown in 1871 over 1870 was real and was due to the introduction of postcards in October 1870.

On the 5th October 1871 (under a Treasury Warrant dated the 16th August) a new scale of postage was established, viz. :—

	d.
For the first oz. - - - -	1
„ second oz. - - -	$0\frac{1}{2}$
Every succeeding 2 oz. up to 12 oz. -	$0\frac{1}{2}$
Above 12 oz.—for every oz. including the first - - - -	1

The average annual numbers under this scale were :—

1872—1877-78 - -	974,000,000
1878-79—1884-85 - -	1,227,000,000

On the 1st July 1885 (under a Treasury Warrant dated the 19th June) the postage on heavy letters was reduced, and the rate of $\frac{1}{2}d.$ for every 2 oz. after the second oz. proceeded without limit.

The average annual numbers of letters under this scale were as follows :—

1885-86—1889-90 - -	1,517,000,000
1890-91—1896-97 - -	1,796,000,000

On the 22nd June 1897, the occasion of the Diamond Jubilee of Queen Victoria, the postage of letters was reduced to 1*d.* for the first 4 oz., and $\frac{1}{2}d.$ for each additional 2 oz.

The average annual numbers under this scale have been :—

1897-98—1901-2 - - -	2,244,200,000
1902-3—1906-7 - - -	2,662,600,000
1907-8—1909-10 - - -	2,906,100,000

It was calculated that in 1902-3 the Inland letters transmitted might be classified as follows :—

Not exceeding 1 oz. - - - - -	2,090,157,600
Over 1 oz. and not exceeding 2 oz. -	122,176,800
„ 2 oz. „ „ 4 oz. -	104,940,000
„ 4 oz. „ „ 6 oz. -	35,532,000
„ 6 oz. „ „ 8 oz. -	21,739,200
„ 8 oz. „ „ 10 oz. -	12,410,400
„ 10 oz. „ „ 12 oz. -	7,459,200
„ 12 oz. „ „ 14 oz. -	2,102,400
„ 14 oz. „ „ 16 oz. -	1,824,000
„ 16 oz. „ „ 18 oz. -	592,800

Over 18 oz.	and not exceeding			20 oz.	-	367,200
,, 20 oz.	,,		,,	22 oz.	-	180,000
,, 22 oz.	,,		,,	24 oz.	-	158,400
,, 24 oz.	,,		,,	26 oz.	-	84,000
,, 26 oz.	,,		,,	28 oz.	-	72,000
,, 28 oz.	,,		,,	30 oz.	-	38,400
,, 30 oz.	,,		,,	32 oz.	-	48,000
,, 32 oz.	-	-		-	-	117,600
	Total	-		-	-	2,400,000,000

Postcards, Letter Cards, Embossed Envelopes and Wrappers.

Postcards were introduced in Austria on the 1st October 1869, and, authority of Parliament having been obtained, they were first issued in the United Kingdom on the 1st October 1870. They were of one quality only, and no charge was made for them over and above the value of the stamp. The number passing through the post in the year 1871 was about 75,000,000.

In the following year a charge of $\frac{1}{2}d.$ a dozen was made for postcards, and private cards were allowed to pass impressed with a stamp by the Inland Revenue Department; the number rose to 76,000,000, fell to 72,000,000 in 1873, but rose again to 79,000,000 in 1874.

In 1875 the stout cards were first issued at a charge of $2d.$ a dozen, and the charge for thin cards was raised to $1d.$ a dozen; these rates continued in force until 1889, the annual consumption of postcards averaging about 140,000,000 during this period.

In 1889 the charges for stout and thin postcards were fixed at $6d.$ and $5\frac{1}{2}d.$ respectively per packet of 10 cards, with the result that stout cards began to displace thin cards to the extent of about 18,000,000 a year. The average consumption of postcards for the next five years was about 236,000,000.

From the 1st September 1894 private cards with $\frac{1}{2}d.$ adhesive stamps have passed as postcards, and from January 1895 postcards of the "court" size have been issued.

In 1897 the prohibition of writing or printing on the address side of a postcard was removed; and the charge on an unpaid postcard was reduced from $2d.$ to $1d.$

In November 1899 the limits of size were raised to $5\frac{1}{2} \times 3\frac{1}{2}$ inches; and the issue of oblong stout cards was discontinued.

In November 1905 the price of both stout and thin postcards was fixed at $6d.$ per packet of 11.

The result of these changes, especially the permission to use private postcards with $\frac{1}{2}d.$ adhesive stamps, has been to raise the consumption of postcards to about 860,000,000 in 1908–9 and 866,000,000 in 1909–10.

In 1909–10 private postcards formed about 90 per cent. of the total number of Inland postcards passing through the post.

Reply postcards were first issued on the 1st October 1882; their use has not been very extensive, and only 1,657,425 were issued in 1909–10 for Inland use.

Letter cards were first issued in 1892, the selling price being fixed at 9*d.* for eight. This price has remained unaltered. The number of letter cards issued in 1909–10 was 6,057,792.

Embossed envelopes were first issued on the 1st January 1841. The sizes, qualities, and prices of these envelopes have been altered from time to time. The following table shows the present classes of embossed envelopes, their prices, and the number of each class issued in 1909–10:—

——	Price.	Issue for 1909–10.
Bearing ½d. stamp.		
"Commercial" ($5\frac{5}{16}$ by $3\frac{1}{8}$ ins.) - -	9*d.* for 16	8,836,560
"Foolscap" ($8\frac{3}{4}$ by $3\frac{7}{8}$ ins.) - - -	6*d.* for 10	1,178,640
Bearing 1d. stamp.		
"A" size ($4\frac{3}{4}$ by $3\frac{11}{16}$ ins.) - - -	11*d.* for 10	9,238,080
"Commercial" ($5\frac{5}{16}$ by $3\frac{1}{8}$ ins.) - -	1*s.* 5*d.* for 16	6,434,400

Wrappers bearing embossed ½*d.* stamps were first issued in 1870. The selling price was originally 5½*d.* for 10, which was subsequently altered to 6½*d.* for 12, then to 4½*d.* for 8, and finally to 4*d.* for 7, the present price. The number issued in 1909–10 was 35,979,600.

Wrappers bearing 1*d.* stamps were introduced in 1878, the selling price being fixed at 8½*d.* for 8. This price has remained unaltered. The number issued in 1909–10 was 616,440.*

Halfpenny Packet Post.

The "Book Post" was established in the year 1848, on the recommendation of Sir Rowland Hill, for the benefit of education and literature, and the rate fixed was 6*d.* a pound. For a short time after the establishment of the post only one volume might be enclosed in each packet, but this restriction was soon removed.

In 1855 the rates were reduced to the following scale—

	d.
Not exceeding 4 oz. - - -	1
,, ,, 8 oz. - - -	2
,, ,, 1 lb. - - -	4

and thereafter 2*d.* for every additional half-pound.

* *Note.*—It has been decided that (from the day of the Coronation, 22nd of June), letter cards and thin postcards shall be sold at the face value of the stamps they bear, and that reductions shall at the same time be made in the prices of embossed envelopes and wrappers.

In the year 1855, when the first record of the number of book packets seems to have been kept, there were estimated to be no more than 3,000,000, and there were about the same number in 1856, but in that year circulars were admitted to the Book Post, and the number rose to 6,000,000 in 1857.

In 1858 the annual number was 7,250,000, in 1860 and 1861 about 12,000,000, and in 1862 about 14,000,000.

In 1866 the rates for book packets weighing more than 8 oz. were revised, and a scale of 1*d.* for 4 oz. took the place of the scale of 2*d.* for 8 oz., thus giving intermediate rates for 12 and 20 oz.

The effect of this alteration of rate upon the number of book packets sent through the post cannot, unfortunately, be stated, as newspapers, samples, and books were all counted together until the year 1871.

The present rate for book packets, viz., ½*d.* for every 2 oz., was prescribed by the Act of 1870, and came into operation on the 1st October of that year.

The number of book packets in the next year was 99,000,000, in addition to 103,000,000 of newspapers, whereas in 1870 the number of books, newspapers, and samples combined was only 130,000,000.

The reduction of the letter postage rate in 1897 to 1*d.* for 4 oz. and ½*d.* for each additional 2 oz., had the result of restricting the Book Post proper to packets under 2 oz.; and in consequence the recorded number of book pockets fell from 727,000,000 in 1897–98 to 706,000,000 in 1898–99. In 1900–1, however, the old level was again reached and the number has since steadily increased.

In 1904 the term "Book Post" was changed to "Halfpenny Packet Post."

The average annual numbers of book packets since 1871 have been as follows:—

1872–76 - - -	143,000,000
1877–78—1881–82 - -	224,000,000
1882–83—1886–87 - -	323,000,000
1887–88—1891–92 - -	441,000,000
1892–93—1894–95 - -	570,000,000
1895–96—1899–1900 - -	697,000,000
1900–1—1905–6 - -	811,000,000
1906–7—1909–10 - -	950,000,000

From time to time, since the establishment of the Post, the definition of the articles transmissible thereby and the mode of packing them have been altered.

A great extension of facilities in both these ways was given in 1892, and was no doubt the cause of the large increase in numbers shown in that year. Further latitude was granted in 1904 as regards the manuscript inscriptions allowed upon

documents transmissible themselves at the halfpenny rate; and on the 1st October 1906 revised regulations were introduced with a view to include practically all formal partly printed documents in use in business, and to grant still more latitude as regards manuscript additions to printed documents.

Inland Pattern and Sample Post.

Certain concessions were granted in the eighteenth century in favour of letters containing samples, but the regular Inland Pattern Post was established in the autumn of 1863, a Foreign Pattern Post having been established in the previous year.

It was intended for *bonâ fide* trade patterns and samples only, and no articles sent by it might be of any intrinsic value.

The rates were originally as follows:—

	s.	*d.*
Under 4 oz. - - - -	0	3
„ 8 oz. - - - -	0	6
„ 16 oz. - - - -	1	0
„ 24 oz. - - - -	1	6

but in the following autumn these rates were reduced by one-third.

No packet of patterns might exceed 24 oz.

The number of packets sent by this post in 1864 was 500,000.

In 1865 the exclusion of articles of intrinsic value ceased, but there was no relaxation of the rule that the post should be used for real patterns and samples only. The number of packets in 1865 was about 1,000,000.

In 1866 the rates were again altered—being fixed at 2*d.* for every 4 oz. up to the maximum weight of 24 oz., thus giving intermediate rates for 12 and 20 oz., and by 1868 the number of packets had risen to 3,000,000.

It was, however, clear that the sample post was becoming a post for small parcels of all kinds, and this abuse of the system could not be checked.

Early in 1870 the rate for patterns was assimilated to that for books, viz., 1*d.* for every 4 oz., and the maximum weight was reduced to 12 oz.

By the Act of 1870 the postage was reduced from the 1st October to ½*d.* for every 2 oz., and the opportunity was taken to lay down a more express rule, that only *bonâ fide* patterns and samples should be sent.

The number of packets in 1870 was about 4,000,000.

The enforcement of the strict rule limiting the post to *bonâ fide* samples caused difficulties of definition and some public discontent, and, finally, the Pattern Post was abolished on the 5th October 1871, the rates of letter postage being at the same time lowered in order that light packets might be sent at a moderate rate as letters.

The Sample Post was re-established on the 1st October 1887 with a minimum of 1*d.* for 4 oz.; but was abolished in 1897, on the introduction of the reduced rates for letters in that year.

Inland Newspaper Post.

In the 17th century the country postmasters, who were innkeepers, had, as part of their emoluments, the privilege of receiving Gazettes free of charge; and certain officers of the Post Office, known as "Clerks of the Roads," subsequently enjoyed a privilege of "franking" all newspapers tendered to them, and, as a natural result, they became in course of time the great newsagents of the kingdom. It is possible that the privileges of the "Clerks of the Roads" developed from the fact that it was they who sent the Gazettes to the Postmasters.

So vast was their business that, by 1764, the emoluments from this source of the six clerks of the roads reached 8,000*l.* a year, out of which they contributed 6,600*l.* a year towards the grant of pensions and increased salaries to their colleagues. The system, as might be expected, led to abuses of all kinds.

In 1764, however, an Act of Parliament was passed to regulate "franking" by Members of Parliament, and *inter alia* they became entitled to the free transmission of newspapers to themselves at any place of which they might give notice to the Postmaster-General, or to any other place if they signed their names outside.

Booksellers soon found complaisant members who would give the necessary notice on behalf of their customers, and thus ordinary vendors and, indeed, all persons, as well as the clerks of the roads, could transmit newspapers free by post.

In 1825 the law was made to correspond with the practice, and by Act of Parliament newspapers were allowed to pass free by post.

In 1836 the Government, by a decision of doubtful legality, allowed newspapers to pass free by the local penny posts as well as by the general post.

But, although the State was thus making no charge for the transmission of newspapers by post, it was levying a stamp duty upon them all; this duty, dating from the 10th year of Queen Anne, was reduced to 1*d.* in 1836 and continued to exist until 1855.

By the Act of that year newspapers were relieved of the compulsory stamp duty, but it was also provided that they, and other periodical—even monthly—publications, which should thereafter bear an impressed stamp, might pass free by post. They were also entitled to retransmission.

Unstamped periodicals fell into the Book Post.

The effect of this change in the law was to reduce by about one-fourth the number of newspapers passing through the post, and up to 1862 the number seems to have been about 71,000,000 to 72,000,000 per annum.

It was observed for two or three years that about three-fourths of the newspapers still bore the impressed stamp, and the average weight of a newspaper was falling.

In 1863–64–65 the number of "free" newspapers still passing under the newspaper stamp averaged about 44,000,000; the numbers are not again stated separately in the returns, and the system was abolished by the Act of 1870.

By this Act the present rate of ½*d.* for each newspaper irrespective of weight was established; and the effect is shown by the fact that whereas in 1870 newspapers, books, and samples together only reached 130,000,000, in 1871 newspapers alone reached 103,000,000, while books stood at 99,000,000. It was laid down by the Act that a newspaper must consist "wholly "or in great part of political or other news, or of articles "relating thereto, or to other current topics"; and that it must be printed and published in the British Isles, in numbers at intervals of not more than seven days.

For the period since 1871 the average annual numbers of newspapers have been as follows:—

1872–76 - - - -	117,000,000
1877–78—1881–82 - - -	132,000,000
1882–83—1886–87 - - -	145,000,000
1887–88—1891–92 - - -	155,000,000
1892–93—1896–97 - - -	156,000,000
1897–98—1901–2 - - -	161,000,000
1902–3—1905–6 - - -	178,800,000
1906–7—1909–10 - - -	197,700,000

The Parcel Post.

The idea of establishing a parcel post was familiar for many years before its realisation in this country.

In 1880 a Postal Conference was held at Paris with the view of creating an International Parcel Post, and at that Conference the British Post Office was represented, although, having no Inland Parcel Post, it was unable to enter into any international agreement.

In the two following years, however, negotiations were carried on with the railway companies, which finally resulted in an arrangement, to which legal effect was given by an Act of Parliament passed on the 18th August 1882, that the Railway Clearing House on behalf of the companies should receive eleven-twentieths of the postage collected upon all parcels carried by railway.

It was from the outset intended to link the Inland to the International Parcel Post as soon as might be possible.

The Inland Parcel Post, then and until the 12th August 1884 called the Parcels Post, came into actual operation on the 1st August 1883. Parcels sent by the post might not exceed 7 lbs. in weight, 3½ feet in length, nor, in length and girth combined, 6 feet.

The scale of postage was as follows :—

	s.	d.
Not exceeding 1 lb. - - - - - -	0	3
Exceeding 1 lb. but not exceeding 3 lb. -	0	6
„ 3 lb. „ „ 5 lb. -	0	9
„ 5 lb. „ „ 7 lb. -	1	0

Up to the 31st March 1884, a period of eight months, the number of parcels sent by post was about 14,000,000, and in the year 1884–85 the number was about 23,000,000.

On the 1st July 1885 a Parcel Post was established with Gibraltar, Egypt, Aden, and India.

The limits of weight and size were the same as for the Inland Parcel Post, and the postage was fixed as follows :—

		s.	d.		s.	d.		
Gibraltar.—Not exceeding	**1 lb.**	**0**	**8**	**and**	**0**	**6**	**for each additional lb.**	
Egypt.—	**„**	**2 lb.**	**1**	**3**	**„**	**0**	**7½**	**„**	**„**
Aden, India	**„**	**1 lb.**	**1**	**0**	**„**	**1**	**0**	**„**	**„**

From that time the Parcel Post was rapidly extended to other colonies and foreign countries, the rates of postage varying generally according to the expense attending their conveyance and the number of countries through which they had to pass. The process of reducing rates when circumstances admitted has been carried on continuously.

By the end of March 1886, a period of nine months, the number of colonial and foreign parcels despatched from this country was nearly 72,000, and the number delivered in this country was nearly 41,000.

In the year 1885–86 the total number of parcels passing by post in the United Kingdom (including those sent to and from the colonies and places abroad) was about 26,000,000.

On the 1st May 1886 the conditions of the Inland Parcel Post were altered. The maximum weight was increased to 11 lb., and the scale of postage was fixed as follows :—

	s.	d.
Not exceeding 1 lb. - - - - - -	0	3
Exceeding 1 lb. but not exceeding 2 lb. -	0	4½
„ 2 lb. „ „ 3 lb. -	0	6
„ 3 lb. „ „ 4 lb. -	0	7½
„ 4 lb. „ „ 5 lb. -	0	9
„ 5 lb. „ „ 6 lb. -	0	10½
„ 6 lb. „ „ 7 lb. -	1	0
„ 7 lb. „ „ 8 lb. -	1	1½
„ 8 lb. „ „ 9 lb. -	1	3
„ 9 lb. „ „ 10 lb. -	1	4½
„ 10 lb. „ „ 11 lb. -	1	6

In the year 1886–87 the total number of parcels, which in the preceding year had been about 26,000,000, rose to 33,000,000, of which number about 394,000 passed between the United Kingdom and the colonies and places abroad, viz., about 243,000 out and about 151,000 home.

In June 1897, as a part of the Diamond Jubilee Reforms, the postage rates on parcels were reduced to the following amounts :—

	s.	d.
Not exceeding 1 lb.	0	3
Exceeding 1 lb. but not exceeding 2 lb.	0	4
„ 2 lb. „ „ 3 lb.	0	5
„ 3 lb. „ „ 4 lb.	0	6
„ 4 lb. „ „ 5 lb.	0	7
„ 5 lb. „ „ 6 lb.	0	8
„ 6 lb. „ „ 7 lb.	0	9
„ 7 lb. „ „ 8 lb.	0	10
„ 8 lb. „ „ 9 lb.	0	11
„ 9 lb. „ „ 11 lb.	1	0

On the 2nd July 1906, the inland parcel rates were further reduced to the following amounts :—

	d.
Not exceeding 1 lb.	3
Exceeding 1 lb. but not exceeding 2 lb	4
„ 2 lb. „ „ 3 lb.	5
„ 3 lb. „ „ 5 lb.	6
„ 5 lb. „ „ 7 lb.	7
„ 7 lb. „ „ 8 lb.	8
„ 8 lb. „ „ 9 lb.	9
„ 9 lb. „ „ 10 lb.	10
„ 10 lb. „ „ 11 lb.	11

On the 1st June 1887 horse-drawn coaches began to run between London and Brighton for the conveyance of parcels not already conveyed by rail, and similar coaches were put on other roads where the circumstances were such as to show a clear saving in their cost as compared with the cost of railway conveyance.

In 1898, Motor Vans were tried on these services for the first time; and they have now not only superseded horse vehicles on all the Parcel Coach Services between London and Provincial towns but have enabled longer distances to be covered.

On the 1st July 1907, the charge previously made at the single rate of postage for the return of undelivered Inland parcels to the senders was discontinued.

Since the extension of the limit of weight for inland parcels from 7 to 11 lb., a similar extension has gradually been made in the Parcel Posts with the colonies and foreign countries, and at the present time the limit in all but a very few cases is 11 lb.

In 1898 a system was introduced under which customs charges on parcels sent abroad can be borne by the sender.

In 1899 a uniform scale of postage was introduced for parcels exchanged with a large number of British colonies, the rates adopted being 1*s.* up to 3 lb., 2*s.* from 3 lb. to 7 lb., and 3*s.* from 7 lb. to 11 lb.

In 1899–1900 the rates on parcels exchanged with a large number of foreign countries were simplified on somewhat similar lines, and in many cases reduced.

The result of the simplification of the colonial rates was an immediate increase of 17 per cent. in the number of parcels despatched from the United Kingdom to the colonies concerned, or about twice the rate of increase of the preceding years.

The simplification of colonial and foreign rates has since been gradually extended, the triple scale being now almost universal with foreign countries.

The average numbers of parcels carried by post in recent years have been as follows:—

1887–88—1890–91.

Total number passing by post in the United Kingdom, 41,000,000.

Foreign and colonial parcels delivered in the United Kingdom, 324,000.

Foreign and colonial parcels despatched from the United Kingdom, 595,000.

1891–92—1894–95.

Total number passing by post in the United Kingdom, 53,000,000.

Foreign and colonial parcels delivered in the United Kingdom, 494,000.

Foreign and colonial parcels despatched from the United Kingdom, 877,000.

1895–96—1899–1900.

Total number passing by post in the United Kingdom, 67,885,000.

Foreign and colonial parcels delivered in the United Kingdom, 850,000.

Foreign and colonial parcels despatched from the United Kingdom, 1,233,000.

1900–01—1904–5.

Total number passing by post in the United Kingdom, 89,917,000.

Foreign and colonial parcels delivered in the United Kingdom, 1,237,000.

Foreign and colonial parcels despatched from the United Kingdom, 2,169,000.

1905–6—1909–10.

Total number passing by post in the United Kingdom, 109,436,000.

Foreign and colonial parcels delivered in the United Kingdom, 1,514,000.

Foreign and colonial parcels despatched from the United Kingdom, 2,731,000.

The Official Parcel Post Service between the United Kingdom and the United States of America.

The official Parcel Post with the United States of America was instituted in April 1905, after negotiations with the United States Post Office extending over many years.

The service as first established was subject to serious limitations. The maximum weight allowed for parcels was 4 lb. 6 oz. (2 kilos.), corresponding approximately to the maximum weight allowed in the United States of America for "fourth class matter." The United States Post Office, moreover, found itself unable to agree to the institution of a system of accounts, without which "transit" parcels are necessarily excluded from the service, and could not arrange for the introduction of a system of insurance, payment for the loss of uninsured parcels, the introduction of the system in force in the Parcel Post with many countries by which the sender can undertake responsibility for the Customs and other charges ordinarily payable by the addressee, or express delivery of parcels.

In these circumstances it was found necessary to maintain side by side with the official service the semi-official service, carried on through the agency of the American Express Company, which provided for the facilities mentioned, and also for the despatch of parcels up to the usual maximum of 11 lb.

Within its limitations the official Parcel Post worked well and smoothly from the outset. The postage, fixed at 2*s.* per parcel, compared favourably with the charges by the semi-official service, which were (including 2*s.* per parcel for non-postal charges)—

	3 lb.	7 lb.	11 lb.
On parcels for New York, Jersey City, Brooklyn and Hoboken -	3*s.*	4*s.*	5*s.*
On parcels for all other places in the United States of America -	4*s.*	5*s.*	6*s.*

The business of the official service was drawn partly from the lighter parcels previously carried by the American Express Company's service; but to a large extent it created new business, as may be seen from the following figures relating to a typical month:—

	Number of Parcels despatched from United Kingdom.
August 1904 - - - - -	2,522
(All by American Express Company's service.)	
August 1905:—	
By American Express Company's service -	1,692
By official service - - - -	1,629

From which it appears that in August 1905, when the new service had been in operation some four months, roughly speaking, half its business was "new" and half was drawn from the semi-official service.

In August 1907, in consequence of an alteration in the United States Customs regulations, the American Express Company found itself in a position to reduce the non-postal charges of 2*s.* on parcels sent by the semi-official service to 1*s.*; and consequently the postage on such parcels was reduced by 1*s.* per parcel on the 1st of October 1907. This reduction arrested the decline in the American Express Company's service, and to some extent checked the growth of the official service.

The limit of weight was raised from 4 lb. 6 oz. to 11 lb. in both directions in 1908 and the fixed postage of 2*s.* per parcel up to the weight of 4 lb. 6 oz. was replaced by a scale for parcels sent from this country as follows:—

Parcels not exceeding 3 lb.	Between 3 lb. and 7 lb.	Between 7 lb. and 9 lb.	Between 9 lb. and 11 lb.
s. d. 1 6	*s. d.* 2 6	*s. d.* 3 6	*s. d.* 4 6

A higher rate of postage was introduced on the 1st of January 1909 on the request of the American Express Company; and the present rates are:—

By the Official Service.	For Parcels not exceeding—			
	3 lb.	7 lb.	9 lb.	11 lb.
For all places in the United States -	*s. d.* 1 6	*s. d.* 2 6	*s. d.* 3 6	*s d.* 4 6

By the Semi-Official Service.	For Parcels not exceeding—		
	3 lb.	7 lb.	11 lb.
(*a*) For New York City, Brooklyn, Jersey City or Hoboken.	*s. d.* 2 6	*s. d.* 3 6	*s. d.* 4 6
(*b*) For all other places in the United States of America.	3 6	4 6	5 6

The statement given on p. 24 shows the number of parcels exchanged between the United Kingdom and the United States of America during periods of twelve months ending the 30th of June in 1907, 1908, 1909, 1910, *i.e.*, for two years before and for two years after the date when the limit of weight for parcels sent by the official service was raised from 4 lb. 6 oz. to 11 lb., and the present postage rates were introduced.

It will be seen that for the last year (1st July 1907—30th June 1908) in which the weight of parcels sent by the official service was limited to 4 lb. 6 oz., the number of parcels despatched by this service from the United Kingdom increased by only 4·3 per cent., against an increase of 25·5 per cent. in the number sent by the semi-official service. During the next twelve months, however, the number sent by the official service increased by 54·8 per cent., while the number sent by the semi-official service decreased by 33 per cent. During the next year (ending 30th June 1910), the increase by the official service was 23·7 per cent. over the figure for the previous year, while the semi-official service recovered slightly, the number of parcels increasing by 3·1 per cent.

With reference to the facilities, afforded by the semi-official service alone, for the United States Customs duty, &c., to be borne by the senders and for the insurance of parcels, it may be observed that out of parcels sent by the semi-official service during the last three months of 1909, there were 15·97 per cent. on which the senders undertook the payment of Customs duty, &c., and 44·65 per cent. which were insured.

The parcels received from the United States (all by the official service) have always been more numerous than those sent from this country to the United States. For the year ending 30th June 1910, the numbers were:—137,520 received and 109,850 despatched. These figures do not, however, afford an altogether satisfactory comparison of the number of small parcels passing between the two countries, as the American Express Company probably forwards to this country a considerable number of such parcels which are only posted on arrival or are delivered by private agencies.

PARCELS DESPATCHED from the UNITED KINGDOM to the UNITED STATES of AMERICA during the TWELVE MONTHS ending 30th June in each of the years mentioned below.

	1907.	1908.	1909.	1910.
Official Service - -	48,290	50,374	3 lb. 42,984 | 7 lb. 23,773 | 9 lb. 5,252 | 11 lb. 5,999 = 78,008	3 lb. 50,657 | 7 lb. 29,651 | 9 lb. 7,413 | 11 lb. 8,792 = 96,513
Semi-Official Service -	3 lb. 5,037 | 7 lb. 5,953 | 11 lb. 4,388 = 15,378	3 lb. 5,703 | 7 lb. 7,947 | 11 lb. 5,663 = 19,313	3 lb. 5,628 | 7 lb. 4,277 | 11 lb. 3,021 = 12,926	3 lb. 6,289 | 7 lb. 4,176 | 11 lb. 2,872 = 13,337

PARCELS DESPATCHED from the UNITED STATES OF AMERICA to the UNITED KINGDOM during the same periods.

——	1907.	1908.	1909.	1910.
Official Service - - -	90,340	90,164	108,456	137,520

Number of Parcels sent to the United States, during the Years 1907 and 1908.

Official Service.

1907.		1908.				
Up to 4 lb. 6 oz.		Up to 4 lb. 6 oz.				
Month.	Total.					Total.
January	4,262	-	-	-	-	3,813
February*	3,461	-	-	-	-	3,741
March	3,740	-	-	-	-	3,427
April	3,090	-	-	-	-	3,374
May	3,385	-	-	-	-	3,286
June	3,626	-	-	-	-	2,657
		3 lb.	7 lb.	9 lb.	11 lb.	
July	3,219	2,140	1,116	220	265	3,741†
August	3,572	2,215	1,044	206	200	3,665
September	3,328	2,352	1,243	240	332	4,167
October	*4,100	2,830	1,754	411	450	5,445‡
November	4,774	3,373	2,031	465	590	6,463
December	11,083	11,694	5,771	938	938	19,341

Semi-Official Service.

	1907.				1908.			
Month.	3 lb.	7 lb.	11 lb.	Total.	3 lb.	7 lb.	11 lb.	Total.
January	476	491	345	1,312	469	632	507	1,608
February	350	403	311	1,064	421	674	470	1,565
March	401	474	369	1,244	397	552	411	1,360
April	397	392	335	1,124	392	622	444	1,458
May	382	469	283	1,134	412	575	499	1,486
June	466	441	315	1,222	384	491	349	1,224
July	381	450	293	1,124	363	320	265	948†
August	370	467	335	1,172	370	283	252	905
September	387	457	357	1,201	397	307	265	969
October	507	648	486	1,641*	479	339	291	1,109
November	541	780	590	1,920	499	382	308	1,189
December	1,042	1,590	922	3,554	973	685	443	2,101

* Postage by semi-official service reduced by 1*s.* per parcel and Rome letter rates came into force on 1st October 1907.

† Limit of weight in official service raised to 11 lb. and postage revised 1st July 1908.

‡ Penny post for letters sent from U.K. to U.S.A. established 1st October 1908.

"Blind Literature" Post.

On the 1st September 1906 specially reduced rates were granted to documents impressed for the use of the blind. The rates fixed were ½*d.* up to 2 oz., 1*d.* up to 2 lb., and 1½*d.* up to 5 lb.; and shortly afterwards 2½*d.* up to 6 lbs. Heavier parcels must be sent by Parcel Post.

Registration, Insurance, and Compensation.

The history of the modern Registration system begins with the 10th Report of the Commissioners of Post Office Inquiry in January 1838.

The Commissioners recommended that a uniform fee of 2*d.* should be charged for the registration of letters, and that the Post Office should admit liability for their loss up to 5*l.*

The Act 1 Vict. c. 34, passed on the 12th July 1837, had enabled the Postmaster-General, with the consent of the Treasury, to charge rates for registration, but provided that this should not render the Post Office liable in case of loss; the Treasury decided, however, in 1838 that cases might be judged on their merits, and that compensation might be given up to 5*l.*

A general scheme of Registration was accordingly arranged, and was to come into force in June 1839; the fee was to be 2*d.* on General Post Letters, and ½*d.* on letters within the Twopenny Post limits.

At the last moment, however, the scheme was stopped by the news of the impending reductions in postage rates, as it was believed that the consequent increase in the number of letters would render Registration impossible, and when the uniform 4*d.* rate of postage came into operation on the 5th December 1839, the Post Office, with the sanction of the Chancellor of the Exchequer, abandoned a practice of long standing whereby letters containing coin or jewellery were gratuitously checked by being entered on the letter bills. In the Inland Office alone about 110,000 letters a year were being so entered.

As a result of the consequent increase in thefts from the post, Registration was again considered; but as, with cheap postage, the fees proposed in 1838 were thought to be too low, it was finally agreed that the fee should be 1*s.* on all letters; the proposal of compensation for losses up to 5*l.* was dropped.

This plan came into operation on the 6th January 1841. Letters for the colonies and abroad could only be registered as far as the port of despatch from the United Kingdom, except in the case of France. Letters for delivery *in* France could be registered to their destination on payment of British postage and Registration fee and double French postage. Letters going *through* France were only liable to the British Registration fee.

At the end of 1841 it was calculated that 60 registered letters were despatched from London daily and 1,170 delivered in London weekly.

In 1841 the Post Office proposed the compulsory Registration of letters found in the Post containing coin or jewellery, but Sir R. Hill, who was then attached to the Treasury, proposed instead to reduce Registration fees to 6*d.* and ultimately to 2*d.*, and the original proposal fell through.

One ground upon which the Post Office resisted the proposed reduction of fee was that Registration would become cheaper than remittance by Money Order, and that it was desirable to encourage the latter system.

It was to his earnest advocacy of a reduction of the Registration fee that Sir Rowland Hill attributed his dismissal from the Treasury in 1842, by the Government of Sir Robert Peel.

Early in 1848, Sir R. Hill being then secretary to the Postmaster-General, the fee for Registration was reduced from 1*s.* to 6*d.*

The daily number of registered letters sent from London by Night Mail at the end of 1847 was stated to be 320.

On the 1st November 1856 all letters marked "registered" and dropped into a letter box became liable to double the unpaid fee, *i.e.*, 1*s.*

On the 1st January 1858 Registration of letters to and from the colonies came into force at a fee of 6*d.* With foreign countries it was gradually growing up under varying arrangements.

The total number of letters registered annually in the United Kingdom was about 1,500,000, and continued about the same until after 1862.

In 1862, when Sir R. Hill was Secretary to the Post Office, the Law Officers of the Crown were consulted as to the legality of compulsory registration of letters known to contain coin, whole bank notes, watches, or jewellery. They gave an opinion that (though the matter seemed not entirely free from doubt) the course suggested might be legally adopted.

On the 1st August in the same year the fee for the Registration of Inland letters was reduced from 6d. to 4*d.*, and at the same time it was decided that all letters obviously containing coin, passing through the London Office, should be registered compulsorily and charged a double fee of 8*d.* In the next year the same rule was extended to the whole of the United Kingdom.

On the 1st January 1863 the fee on letters marked "registered" and dropped into a letter box was reduced from 1*s.* to 8*d.*

The number of registered letters in the years 1863, 1864 and 1865 appears to have been about 2,000,000 per annum.

On the 1st February 1866 the British Registration fee on all foreign and colonial letters was reduced from 6*d.* to 4*d.*, except in the case of letters sent to or through France. These, under a convention, were charged a Registration fee equal to the postage. This arrangement lasted until the 1st January 1876, when France entered the Postal Union.

On the 1st October 1867 the system of compulsory Registration of letters containing coin was extended to the colonies, but not to foreign countries; and on the 1st September 1873 compulsory Registration was applied to letters containing jewellery and watches, as well as letters containing coin. It was at first intended to include in this arrangement letters containing bank notes and postage stamps, but this intention was abandoned in consequence of the objections to which its notification gave rise.

The number of registered letters from 1865 to 1871 appears to have been about 3,000,000 a year. In 1874 and 1875 it rose to 4,000,000, and in 1876 to 5,000,000, falling somewhat lower in 1877.

In the year 1877 notice was given by the French Post Office that, at the Postal Union Congress in the spring of the following year, it would be proposed to reduce the Registration fee throughout the Union to 2*d.*, and to make good losses of registered letters up to 50 francs.

The British Post Office was very willing, for its own sake, to reduce the registration rates as a companion measure to the increase of rates of Money Order commission, and, accordingly, on the 1st January 1878, both the changes proposed by the French Post Office were introduced into the service of the United Kingdom, both for inland and foreign letters.

The grant of compensation was, of course, subject to certain prescribed conditions.

At the same time were introduced the special "Registered Letter Envelopes" and—as a further convenience to the public—rural postmen were instructed to receive letters for Registration.

In the year 1878-79 the number of registered letters rose to 7,000,000.

On the 1st April 1879 the sender of a registered article to any British colony or country in the Postal Union was enabled to obtain an advice of its delivery on payment of 2½*d.* in addition to the postage and registration fee.

In 1879–80 the number of registered letters was about 9,000,000, and, in the following year, about 10,000,000. It rose gradually to 11,000,000 a year through the next decade.

In 1884 certificates of posting for unregistered parcels were introduced and given free of charge, and on the 1st May 1886 compensation up to 1*l.* was given in respect of damage, and in

respect of loss where such certificates had been taken by the senders.

On the 1st May 1886 a system of Insurance of inland parcels and inland registered letters was introduced. For a fee of 1*d*. an insurance of 5*l*. was effected, and for 2*d*. an insurance of 10*l*.

In 1887 the system of checking insured parcels, the cost of which was found to be in excess of the fee paid, was discontinued, and with the object of attracting small and valuable articles from the Parcel Post to the Letter Post the insurance fee of 1*d*. on registered letters was abolished, and the registration fee of 2*d*. made a title to compensation up to 5*l*. For compensation up to 10*l*. an insurance fee of 2*d*. in addition was still required.

On the 1st June 1891 the separate system of insurance for parcels was abolished, and registration coupled with insurance substituted for it.

Compensation was then fixed as follows for registered inland letters and parcels :—

Fee.	Limit of Compensation.
d.	£
2	5
3	10
4	15
5	20
6	25

At the same time the limit of compensation for unregistered parcels was raised from 1*l*. to 2*l*.

A system, on the Postal Union plan of furnishing the sender of any inland registered postal packet with an acknowledgment of its delivery on payment of a special fee of 2*d*. was also introduced.

On the 1st December 1892 the limit of compensation for registered letters and parcels was raised to 50*l*., the additions to the scale of fees being as follows :—

Fee.	Limit of Compensation.
d.	£
7	30
8	35
9	40
10	45
11	50

On the 1st August 1895 compensation up to 40*s.* began to be payable on any article sent by the express letter service.

On the 1st February 1897 the fee charged for the compulsory registration of letters found to contain jewellery, watches, or coin, or of letters marked "registered" and dropped into a letter box, was reduced from 8*d.* to 4*d.* It was also arranged that packets found open in the post or opened in the Returned Letter Office, which contained articles of value other than those above described (including bank notes, uncrossed cheques, and postal orders not filled in with the name of the payee), should be compulsorily registered at a fee of 2*d.*

On 1st May 1898 the limit of compensation given for an inland registered postal packet was raised to 120*l.*, the scale of fees being fixed at follows:—

Fee.	Limit of Compensation.	Fee.	Limit of Compensation.
s. *d.*	£	*s.* *d.*	£
0 2	5	0 9	70
0 3	10	0 10	80
0 4	20	0 11	90
0 5	30	1 0	100
0 6	40	1 1	110
0 7	50	1 2	120
0 8	60		

On the 1st January 1906 the limit of compensation was raised to 400*l.*; and the rates fixed at 2*d.* for 5*l.*, 3*d.* for 20*l.*, 4*d.* for 40*l.*, with an addition of 1*d.* for every additional 20*l.* insured. Thus the fee for the maximum of 400*l.* is 1*s.* 10*d.*

From 1891–92 to 1894–95 the number of registered letters was about 12,000,000 annually; since then there has been a steady increase, the number in 1909–10 being 19,800,000.

The number of registered parcels in 1909–10 was 1,074,000.

On 1st January 1899 this country adhered to the Postal Union Insurance Agreement, with the result that it became possible to insure letters exchanged with a large number of foreign countries, up to a value of 120*l.*, at the rate of 5*d.* for the first 12*l.* and 2½*d.* for each additional 12*l.*, the fee for registration being included in these fees.

In 1899–1900 this system was extended to a number of British possessions and to India; and since then other extensions have gradually been made.

On the 1st of July 1907 the maximum sum insurable was raised to 400*l.*, the rate being reduced to 4*d.* for the first 12*l.* and 2*d.* for each additional 12*l.*

The number of outward insured letters in 1909–10 was 15,200, and the number of inward letters 62,200.

The Parcel Post arrangements of the British Post Office with foreign administrations have from the first provided for a limited compensation in cases of loss or damage without the payment of a special fee. Where the weight of a single parcel was limited to 7 lb., the maximum compensation was fixed at 12*s.* (15 francs); but where parcels weighing as much as 11 lb. were transmissible, the maximum compensation was fixed at 20*s.* (25 francs).

The arrangement was extended to the Parcel Post with certain colonies in May 1888, the maximum compensation being fixed at 20*s.* In January 1895 the rule of the Postal Union in regard to the limit of compensation was adopted in all cases, viz.:—

	Limit of Compensation.
	s.
For parcels weighing not more than 7 lb. -	12
More than 7 lb., but not more than 11 lb. -	20

The Postal Union afterwards abandoned the limitations according to weight; and on the 1st of January 1899 the limit of compensation was fixed in the British service with colonies and foreign countries (except France and its dependencies and Spain) at 25 francs.

In November 1889 a system of insurance up to 50*l.* for parcels exchanged with India was arranged. The fee charged was 6*d.* for each 5*l.* of value insured.

In July 1891 the system was extended to a number of British colonies, and other extensions followed.

In February 1894 insured parcels were, for the first time, exchanged with some of the countries of the Continent of Europe, the insurance fee for such parcels being:—

s.	*d.*		£
0	5	for sums not exceeding - -	12
0	7½	,, ,, - -	24
0	10	,, ,, - -	36
1	0½	,, ,, - -	48
1	3	,, ,, - -	50

The largest sum for which insurance could be effected was in most cases 50*l.*, but in some cases only 20*l.*

In July 1894 the scale of insurance fees thus fixed for foreign parcels was applied to colonial parcels.

In 1898–99 the limit of insurance was raised, in the case of a considerable number of colonies and foreign countries, to 120*l.*, the scale of payments adopted being the same as in the case of insured letters. Extensions of the insurance system have since then gradually been made.

On the 1st of July 1907 the limit of insurance was raised to 400*l.* and the rates were reduced to agree with the new rates for insured letters.

The number of insured parcels despatched from this country in 1909–10 was 256,173, and the number received from abroad 147,832.

In the Foreign and Colonial Parcel Post there is no system of registration apart from insurance.

Insured Box System.

A project for allowing *letters* with declared value to pass in international mails was discussed at the inaugural Congress of the Postal Union held in Berne in 1874; but the matter was allowed to drop because several States had no such system in their inland service, and some of the delegates were without instructions on the subject. The German Post Office brought the matter forward again at the Congress held in Paris in 1878; and the scheme was adopted as a subsidiary and optional arrangement. At that time an insurance system had not been introduced into the internal service of the United Kingdom; and the British Post Office did not adhere to the arrangement.

The insured letter service provides only for the transmission of valuable documents; but in the proposals for the Vienna Congress held in 1891 France gave notice of a proposal to extend the system to include jewellery and similar precious objects; and, as an optional arrangement, a scheme based on the French proposals was included by that Congress in its arrangement concerning the exchange of Insured Letters and Boxes.

In 1886 an insurance system had been introduced into the Inland service of this country; and on the 1st January 1899 the Department adhered to the Postal Union arrangement, so far as it related to the exchange of Insured Letters, abstaining, however, from participation in the Insured Box Service.

It was decided in 1906 that so far as internal arrangements were concerned nothing need keep back this Office from taking part in both of the services contemplated under the Union arrangement. The Department's attitude was made known in the course of the Rome Congress. The service of Insured Boxes was commenced with France and Belgium on the 1st January 1909, and has now been extended to Austria, Belgium, Bulgaria, Denmark, Egypt, France, Germany, Holland, Italy, Luxemburg, Montenegro, Norway, Portugal, Roumania, Switzerland, and certain Ottoman Post Offices in Turkey in Europe. The case of Egypt is exceptional; and it is not proposed at present to extend the service beyond Europe.

During the financial year ending on the 31st March 1911, 541 outward insured boxes and 5,721 incoming boxes were dealt with; of these no less than 275 outward and 5,379 inward boxes were sent to and received from France.

The object of the Insured Box System is the admission to the letter mails of small articles of declared value which thereby

obtain the advantage of quicker transmission than the Parcel Post affords.

The articles for which the service is intended are subject to Customs regulations and they must be accompanied by special documents and submitted to Customs examination. Their treatment thus resembles in part that applied to articles sent by parcel post; and special arrangements have been made with the Customs authorities for the examination of the boxes coming into this country.

Railway Letter and Express Delivery Services.

The Railway Letter Service came into operation on the 1st February 1891.

The arrangement was that, at a passenger station on those railways which had entered into a special arrangement for the purpose, a letter not exceeding 1 oz. in weight might be handed in for immediate transmission by railway. This arrangement has remained unaltered, save that the limit of weight was raised to 4 oz. in 1897.

These letters must be prepaid with the ordinary postage of 1*d*., and an additional fee of 2*d*., for which a special railway stamp is provided, must be paid to the railway company when the letter is handed in.

Railway letters can be addressed either to a railway station to be called for, or to the actual residence of the addressee. In the latter case they are posted at the station of address.

The Express Delivery Service came first into operation in London on the 25th March 1891; it was rapidly extended, and by the 1st August 1891 was made general throughout the United Kingdom.

Two distinct services were arranged; one was a local service by which letters and parcels were carried "Express" throughout, the other was a service for the Express delivery of letters which had passed through the ordinary post.

The fee for the first service, in addition to ordinary postage, was 2*d*. for the first mile, 3*d*. for any subsequent mile, with an additional charge of 1*s*. a mile where the distance exceeded two miles, and there was no public conveyance.

For the second service the same fee was charged, the letters being sent out immediately after the arrival of the mail.

Arrangements were also made whereby messengers could be summoned from Post Offices by telephone; and the privilege of dictating letters to a Post Office by telephone for delivery by an Express messenger was subsequently conceded.

This arrangement did not extend to letters and parcels arriving from the colonies and abroad.

On the 1st January 1892 the local Express service was reconstituted. The ordinary postage was no longer charged, but an inclusive charge was made of 3*d*. a mile, and 1½*d*. a lb.

after the first pound. There ceased to be any restriction on the weight and description of packets conveyed by this service, provided that they were within the capacity of the messenger. Two miles remained the limit of distance where there was no public conveyance. If the distance exceeded two miles in such cases, or the weight exceeded 15 lb , a special conveyance was to be provided at the cost of the sender. For a return service by the same messenger, half-mileage rate was charged.

For letters and parcels arriving by post for Express delivery ordinary postage and an additional fixed fee of 3*d*. a mile were charged ; it was also provided that railway post letters might be delivered by express.

On the 1st August 1892 began the International Express Service. The arrangement, which is now in force with many countries, is as follows :—

> A primary free of 3*d*. is charged in the United Kingdom on packets for despatch, and on packets arriving in this country prepaid for express delivery no charge is made if the place of address is within 1 mile of the Post Office, while beyond that distance a fee of 3*d*. a mile is charged, and 1*d*. for each additional packet addressed to the same person.

On the 24th July 1893 further changes were made in the Inland Service. Special delivery of all packets arriving by a particular mail could be obtained by the addressee at the rate of 3*d*. a mile for a single packet, and a further 1*d*. for every 10 other packets for the same person ; and, in the case of several packets sent by one person by express throughout to several addresses, the charge was reduced to 3*d*. a mile for the total distance traversed by the messenger, and 2*d*. for each packet after the first.

On the 8th May 1895 the distance for which a messenger might go on foot was extended from 2 to 3 miles in the case of packets not exceeding 5 lb. in weight, the charges being—

	s.	*d.*
1 mile - - - - -	0	3
2 miles - - - - -	0	6
3 „ - - - - -	1	0

If a public conveyance was available, the charge of 3*d*. per mile applied throughout.

It was also provided that the "weight" fee was not to be charged if a special conveyance was used at the sender's expense.

On the 20th August 1895 it was provided that living creatures and liquids might be conveyed by the "Express throughout" Service.

On the 22nd June 1897 the double fee charged for the third mile in the case of packets delivered on foot was reduced to a single fee.

On the 1st October 1898 the weight charge on each pound after the first was reduced from 1½*d.* to 1*d.*, the total weight charge was limited to a maximum of 1*s.*, and the limit of weight was raised from 15 lb. to 20 lb. in the cases where a public conveyance is available. The limits of 15 lb. and 5 lb. for delivery on foot up to two and three miles respectively remained untouched. The fixed charge of 2*d.* for each article beyond the first when several packets are tendered by the same person for delivery by the same messenger to a number of addresses was reduced to 1*d.*

On the 12th February 1899 an express delivery of letters on Sundays was introduced in London.

In 1900 the weight charge was abolished; and the express fee of 3*d.* per mile became applicable in all cases (in addition, of course, to the cost of special conveyance, when incurred), with the exception that if delivery was made by cycle, a charge of 4*d.* per mile was to be made where a special conveyance would otherwise have to be employed.

In March 1905 the fee for cycle services of this character was reduced to the ordinary fee of 3*d.* per mile.

On the 1st October 1906 a weight charge was re-introduced of 3*d.* on any packet over 1 lb. in weight, except where a special conveyance is paid for.

The statistics of these services are as follows :—

Railway Letter Post.

About 160,000 letters a year.

Express Delivery (Average Annual Figures).

1891–92—1893–94 - - -	154,000
1894–95—1896–97 - - -	359,000
1897–98—1899–1900 - - -	638,000
1900–01—1902–03 - - -	951,000
1903–04—1905–06 - - -	1,424,000
1906–07—1907–08 - - -	1,741,000
1908–09—1909–10 - - -	2,030,000

Redirection of Postal Packets.

Before the introduction of the penny post, the fee charged for the redirection of unfranked letters was that normally applicable to the second journey, which was not always identical with the fee originally prepaid.

By the Act of 1840, which authorised the introduction of penny postage, it was enacted that a fee at the ordinary postage rate should be charged, whether redirection was effected by the Department or by the addressee's representative.

The letters of soldiers and sailors were allowed with certain limits and within certain conditions to be redirected free of charge.

In 1855 the fee was abolished in the case of letters redirected by the Department to a place within or subordinate to the same post town as that in which the original address was situated.

In 1864 the arrangements were revised, and free redirection was granted to letters, packets, printed papers, and other things redirected by the Post Office within the limits of the same "free delivery." For this purpose the whole of the London Postal District was regarded as one "free delivery."

In 1874 the first Postal Union Convention provided for free redirection throughout the Union, thus placing foreign letters on a more favourable footing than inland letters.

In 1890 a departmental Committee advocated the complete abolition of redirection charges, and in 1892 the Treasury assented to the free redirection of *letters*, whether officially or privately redirected, but refused to sanction free redirection in the case of halfpenny packets and postcards. Accordingly the free redirection of letters was coupled with the withdrawal of the limited free redirection privilege enjoyed by other postal packets. In 1894, however, their Lordships sanctioned the free redirection of all postal packets except parcels, and the change took place on the 1st January 1895.

Until 1898 official redirection was only undertaken for a period of 12 months, the record of a removal being then cancelled. In 1898 it was arranged to continue official redirection after the expiry of 12 months from the date of removal on payment of a fee of 1*l.* 1*s.* a year.

Complaints were made that the charge of 1*l.* 1*s.* was excessive, and in 1900 the fee was reduced to 1*s.* per annum, the period of official redirection being limited to three years The reduction was brought into force in July 1900.

In 1903 the time limit was removed and the present arrangement came into force, viz.:—

First year after removal - - -	Free.
Second ,, ,, ,, - - -	1*s.*
Third ,, ,, ,, - - -	1*s.*
Each subsequent ,, ,, ,, - - -	5*s.*

Parcels and telegrams have always been subject to a second charge at the ordinary rate on redirection.

Rural Posts.

Up to 1764 the situation, broadly stated, was as follows: the Post Office carried letters to post towns only, but did not undertake to deliver them at the houses of the addressees, and in London only was there a local post, the famous Penny Post,

originally founded by Dockwra in 1680, and soon afterwards taken over by the Crown.

In 1764 the advance began; the Postmaster-General obtained authority in that year by the Act 5 Geo. III. cap. 25. to set up in any city or town a penny post of the same kind as that which existed in London; in 1774 a decision of the Court of King's Bench established the rule that within the limits of a post town—which limits, however, it was left for the Postmaster-General to define—letters should be delivered free of charge; and in 1794, by 34 Geo. III. cap. 17, it was provided that any penny post might be extended beyond the former limit of 10 miles from the town in which it was set up. Such posts were, however, only set up in about half a dozen of the largest towns in the kingdom, and at that time neither benefited nor were intended to benefit the rural districts.

Thus, at the beginning of the present century, there were no rural or village posts. Letters were conveyed by post to towns —or rather to towns of any considerable size—and were fetched thence by arrangement, on behalf of the people living in the surrounding villages. Probably a village generally employed its own messenger, paying him in some cases a fixed sum as wages and in others a penny or more upon each letter carried. Sometimes—at any rate in later days—a pauper was employed. Wealthy people, with large correspondence, made special arrangements for themselves; and sometimes the Postmasters of the towns undertook, as a private venture, the delivery of the letters in the villages, receiving, for themselves, and not for the revenue, a fixed sum on each letter.

In some cases, however, villages, or perhaps only small market towns, which were not post towns, received from public funds an "allowance in aid of their post."

The first real effort to carry the post into the villages was made in 1801. By the fifth clause of an Act of that year—41 Geo. III. cap. 7.—the Postmaster-General was authorised to make special arrangements with the inhabitants of towns, villages, and places (not being post towns) for the collection and conveyance of their letters, and to take for such service such sums as might be mutually agreed upon. This was the origin of the posts usually called "fifth-clause posts," or sometimes "convention posts." Another clause of the same Act enabled persons to guarantee posts which otherwise would not pay their expenses.

In the same year the London penny post became a twopenny post.

By April 1803 there were 13 "fifth-clause" posts in operation, showing a total net balance of revenue of 55*l*. 7*s*. As a general rule the charge was a penny for each letter, over and above the ordinary rate of postage if the letter passed through the general post.

The object and utility of these posts were officially described (in 1804) as follows :—

> "Posts of this description are established with a view to bring the correspondence of villages in the vicinity of post towns under the control and direction of the Post-master-General, and, by affording convenience, regularity, and responsibility in the delivery and collection of the letters, and by charging equitable and moderate prices over and above the postage to the post town, to bring the inhabitants of such villages into the custom of writing solely by the post, and perhaps a greater number of letters than they did before, so that if the amount of the extra pence should happen to do little more at first than cover the expenses of the first messenger and receiving houses, yet the general revenue is sure to be benefited, and a new establishment is made, which by time and circumstance generally becomes a source of profit also."

To show the nature and importance of the "fifth-clause" posts, one of them may be described which was set up in 1804 between Dartford and Sevenoaks. A postman, at wages of 19*s*. a week, started at 6 a.m. from Dartford (on the Dover road) and walked through Sutton at Hone, Farningham (on the Maidstone road), Otford, and Shoreham to Kemsing. At Kemsing he exchanged bags with another postman who left Sevenoaks (on the Hastings road) every morning and walked through Wrotham (below Farningham on the Maidstone road). At all these places receiving offices were established, and the post not only enabled the villages to communicate with each other and with the outside world, but also formed a means of communication between the towns on the Dover and Hastings roads, which before could only communicate through London.

In their agreement for this post, the inhabitants insisted that "franks" and newspapers should pass free; this was reluctantly conceded, but a few years later it was discovered that such a concession would have been inevitable, for there was no legal power to charge franks or newspapers on any "fifth-clause" post.

It was this inability to charge "franks" and newspapers that finally crippled the "fifth-clause" posts. As early as 1808 it was decided by the Postmaster-General that "fifth-clause" posts should only be set up for the accommodation of small towns, and that "penny posts," under the earlier Acts already quoted, should be granted to villages. By "penny posts" franks and newspapers were liable to charge, and wherever a "penny post" was set up, the Postmaster-General had a monopoly; in the case of a "fifth-clause" post he had none.

Under both posts the Postmaster-General was obliged to deliver letters at the houses of the addressees within the

boundary of the village, but what that boundary was he might himself determine.

From 1808, therefore, down to the establishment of uniform penny postage in 1840, the rural districts obtained their letters in four ways:—(i), by their own unaided effort and expense; (ii), by their own effort, aided by an allowance from the revenue; (iii), by "fifth-clause" posts; (iv), by penny posts, which were constantly increasing in number, some being established under guarantee.

In some cases the sum of twopence was charged on "penny post" letters, but this turned out to be an illegal exaction. In 1838 "the principle of the Post Office was to take the post "town as the centre, and that from those post towns penny "posts should be established branching out and circulating the "correspondence into the various country districts in which "those post towns are situated. They have, therefore, been "established as penny posts."

At that time there were 52 "fifth-clause" posts in England and Wales, and 1,922 villages in the United Kingdom were served by penny posts.

About this time attention began to be drawn to the inadequacy of the rural posts, and it was stated in 1838 that "an inspection of the Post Office maps will show that, even in "England, where the ramifications of the Post Office distribution "are more minute than in any other part of the kingdom, there "are districts considerably larger than the county of Middlesex "into which the postman never enters."

The introduction of uniform penny postage in January 1840 had naturally a serious effect upon the revenue of the rural posts, as the extra penny or other charge made in penny posts, or "fifth-clause" posts, over and above the charge for transmission by general post, ceased at once. The policy of the Government was set forth in a Treasury Minute dated the 13th August 1841. It was held to be obvious that the post could not be extended to every place in the kingdom, "any attempt of the kind," it was said, would certainly "entail an "enormous expense on the Post Office, which could only be "met by the legislature increasing the general rate of postage." A principle was therefore laid down that "the number of post "offices in every district should be somewhat in proportion to "the amount of population and extent of surface combined; "that is to say, that they should be nearer to one another where "the population is dense, but more numerous, as compared with "the inhabitants, where the population is scattered." This principle was to be carried out in England and Wales by establishing a post office in each registrar's district where there was not one already. It was, however, distinctly to be understood that there was not necessarily to be a delivery at the houses of the inhabitants. Whether there was or was not to be "any "delivery of letters, as well as the extent of such delivery in

" those places in which it may be established," was to " depend " on the number of letters, the density of the population in the " neighbourhood of each post office, and other matters, which " can only be ascertained by experience, and by a careful " examination of the circumstances of each particular place."

The Postmaster-General dissented somewhat from this proposal and it was not carried into effect: the Government of Sir R. Peel, which came into office in the following month, took a different view, and decided in June 1843 that the principle on which rural posts should be established should be based simply upon the number of letters for each locality. " All places, the " letters for which exceed 100 a week, should be deemed " entitled to the privilege of a receiving office and a free " delivery of their letters." This rule was put into operation at once. A " delivery " meant a daily delivery.

The extensions between September 1839 and August 1843 were as follows :—

Free deliveries established - - - -	499
,, extended - - - -	88
Additional deliveries authorised - - -	34
Rural posts established - - - -	180
Guarantee posts established - - -	89
Receiving offices established - - -	52

The boundary of the " free delivery " of a town or village under the rule of 1843 was fixed by the Postmaster-General in each case.

The number of new posts set up between the 5th June 1843 and the 5th January 1845 was 621, serving 1,942 villages ; and in the same period the State assumed liability for 71 posts, serving 82 villages, formerly established under guarantee. These 692 posts were estimated to deliver 7,636,668 letters a year, a little more than 200 letters a week for each post.

The principle laid down in 1843 for the extension of rural posts was followed until 1850. In the summer of that year the whole question was reconsidered. It was then thought that the rule had been " unequal and imperfect in its operation, some- " times establishing a post to the injury of the revenue, and " sometimes withholding one where its establishment would be " beneficial to the revenue, and further recognising no inter- " mediate course between the establishment of a daily post and " the withholding of a post altogether."

It was therefore decided—and the principle upon which this decision was based has lasted to the present day—that in future a post should be established when it would pay its way.

A post was to be held to pay its way whenever its cost was covered by a halfpenny on each letter delivered ; but it was thought that the number of letters would grow at once, and even double itself, when a post was established ; and so it was laid down that, in calculating the number of letters to be delivered,

double the actual number arriving for the locality before the establishment of the post might be assumed to be about to arrive afterwards.

The post, subject to the principle that it must pay its way, might be tri-weekly, bi-weekly, or even weekly. This rule was to be applied to daily posts already established under the rule of 1843, which did not pay their expenses, and their frequency was to be reduced; but no post already established was stopped so long as the cost was covered even by calculating the delivered letters at 1*d.* each.

In the case of guaranteed posts the letters were calculated at $\frac{1}{2}d.$ each.

In 1853 it was further decided that a post less frequent than once a day might be increased in frequency whenever the cost was covered by the "estimated revenue derived from the whole correspondence, calculating the letters at $\frac{3}{4}d.$ each."

In treating an application for a second daily post or a day mail, the letters were calculated at $\frac{1}{4}d.$ each.

During these years the extensions of the free delivery were carefully noted by the Postmaster-General. In 1855 he published the following table, "containing the estimated number of letters "now delivered free in the rural district round each of the towns "enumerated, for which it would formerly have been necessary "either to send a messenger or to pay a gratuity to the "Postmaster."

Surrounding Rural District.	Letters delivered free every week.
Southampton	980
Greenock	1,360
Tunbridge Wells	1,420
Colchester	2,440
Huddersfield	2,760
Norwich	4,030
Halifax	4,680

In 1856 he stated that "it appears by accounts kept since "the commencement of the revision (1851) that . . . . . "provision has been made for a free delivery of more than "300,000 letters per week (not to speak of newspapers and "books) which formerly could be obtained only by application "at the office window."

In 1858 the general revision was completed, but a serious effort to effect a delivery of letters at every house was contemplated, and an experiment of such a system was tried in the districts round a few selected towns, but the scheme was ultimately not pursued.

In 1859 it was stated that "about 93 per cent. of the letters, "newspapers, and other postal packets delivered in the United "Kingdom are now conveyed without any charge beyond the

" ordinary postage by letter carriers and rural messengers to " the houses of the addressees, and this proportion, great as it " is, is always on the increase."

In 1860 it was found, upon experiment, that the assumption made in 1850, that the establishment of a post would double the number of letters, was not justified. The rule was accordingly altered, and new posts were only to be set up when the cost was covered by a halfpenny on each letter actually arriving.

In 1862 the proportion of letters, &c., delivered to the addressees was estimated to reach 94 per cent., and in 1863 it was recorded that during the last ten years nearly 10,000 places had been for the first time provided with a free delivery.

The Postmaster-General went on to say: " There are indeed " but few places not so provided at the present time, and those " few are thinly populated, isolated, and remote. To this let " me add, that in extensions of this kind the cost of the " extension is in almost all cases equal to, whilst in many " cases it has exceeded, the revenue derivable from the cor- " respondence at the time of the extension, and that there is " rarely any reason to expect that the extension will produce " an appreciable amount of correspondence. Under a system " of uniform charge, however, the charge, if it be excessive " in some, must be unremunerative in other cases, and it has " been my practice and that of my predecessors to consider " the business of the Post Office as a whole, and to extend the " full advantages of penny postage gradually and cautiously " throughout even very thinly populated parts of the kingdom."

In 1871 he hoped " the time is not distant when a free " delivery, at least two or three times a week, will be provided " for every house in the country, however remote."

The number of guaranteed posts in April 1882 was 44. In that year the question of largely extending the rural posts was considered by Mr. Fawcett, then Postmaster-General, and he decided that, in calculating the revenue available to cover the cost of an extension of a post to places where there was none, credit should be given for an increase of correspondence of one-tenth as a probable result, or (as the same thing financially) that the existing correspondence should be reckoned for revenue at $\frac{1}{2}\frac{1}{0}d.$ instead of $\frac{1}{2}d.$ for each letter.

In December 1883 an addition of $1d.$ for each parcel was made to the calculated revenue, and $\frac{1}{2}d.$ for each parcel in considering applications for second deliveries by day mails.

In 1890 it was decided that, in extending deliveries to places entirely unserved, $\frac{3}{4}d.$ might be credited to each letter and $1\frac{1}{2}d.$ to each parcel. In 1891 rural sanitary authorities in England and Wales were authorised by Act of Parliament to guarantee posts, and in 1892 a district committee, or, where the county was not divided, the county council, in Scotland received the same power.

On the 27th May 1892 Sir E. Birkbeck moved in the House of Commons a resolution "that in the opinion of this House "an extended daily delivery of letters and papers ought to be "granted to those portions of rural districts where such "delivery is not at present in force, and also that an increased "number of savings banks, money order offices, and telegraph "offices ought to be established." The resolution was amended by the Government, and passed in the following form: "That "in the opinion of this House an extended daily delivery of "letters and papers ought, so far as is possible, to be granted "to those portions of rural parishes where such delivery is not "at present in force."

It was thought that the resolution of the House of Commons would probably be largely carried into effect if the rates conceded in 1890, which had not been made generally known until February 1892, were continued, and the work of extending the posts in accordance therewith was vigorously pushed forward: it being estimated at the end of 1892 that there were about 32½ million letters a year not delivered at the houses of the addressees. In the course of the year ended the 31st March 1893, about 7,800,000 letters were brought into free delivery, and the work of extension went on gradually till the day of Queen Victoria's Diamond Jubilee in 1897, when it was announced that a regular delivery of letters would be given to every house in the kingdom. The principle adopted in giving effect to this announcement was to grant a delivery on six days a week wherever the expenditure involved does not exceed 1*d.* per letter and 2*d.* per parcel. When the expenditure would exceed these amounts, a delivery of less frequency was given.

In 1903 it was decided that "a second service in the day "might be given, provided that the cost of this second "service does not exceed ½*d.* a letter, instead of ¼*d.* as hitherto, "and 1*d.* a parcel (instead of ½*d.* as hitherto) delivered, and "provided further that the total cost of the night and day "mail services will still not exceed the revenue from the "whole correspondence delivered on the post, calculated at "½*d.* per letter and 1*d.* per parcel."

In April 1906 it was arranged, as part of the "Budget Concessions," that the risk to be taken by guarantors of postal facilities should, in ordinary conditions, be reduced to one-third of the loss, and that a delivery at least three times a week should be given at every place in the United Kingdom, "save in very exceptional cases." By the latter concession about 3½ millions of letters a year have been benefited, the principle followed being to allow an expenditure up to 3*d.* per letter for a service on three days a week. In the few exceptional cases where this expenditure is not sufficient the frequency of delivery depends on the cost. In special circumstances a delivery is given on four days a week where the

expenditure does not exceed 2*d.* a letter. In all cases each parcel is counted as two letters.

The general improvement of the Rural Services, especially in respect of additional Day Mail Services, has been greatly facilitated in recent years by the extended use of bicycles, which are now used on some thousands of posts.

The Travelling Post Office.

The establishment of a travelling post office was first suggested by Frederick Karstadt, son of one of the Post Office Surveyors. On the 6th of January 1838, a sorting carriage (consisting of a horse-box temporarily fitted up) was run as an experiment on the Grand Junction Railway between Birmingham and Liverpool. The journey was performed in four hours and a half, and the experiment was considered so successful that on the 19th of June 1838 it was decided to make the Travelling Post Office a permanent institution.

The first permanent sorting carriage was built by the Grand Junction Railway Company, its dimensions being—height 7 feet, length 16 feet, width 7 feet 6 inches. Its exterior was fitted with apparatus for exchanging mail bags en route, which had been devised by Mr. John Ramsey, an officer of the Missing Letter Branch, who became "Post Office Inspector-General," and which was subsequently improved (1848) by Mr. John Dicker, an inspector of mail coaches. The apparatus, as settled by Dicker, is substantially that in use at the present time.

On the 17th September 1838, the London and Birmingham Railway was opened throughout its entire length, thereby joining the Grand Junction and North Union lines, and giving a direct and continuous route to the north. A travelling post office was first established from London to a point just north of Bletchley (where the coach road—Watling Street—crosses the railway) and was extended to Preston on the first of the following month. Two mails were despatched from London (Euston Station) daily, the first or day mail at 11 a.m. and the night mail at 8.30 p.m.

The immediate effect of the introduction of the travelling post office was to render unnecessary the making up of some 800 or 900 bags, inasmuch as each town made up one bag for the travelling post office instead of the 14 or 15 which had to be made up for the mail coach, and the travelling post office re sorted the letters and made up bags for the various towns which it served. In the year 1845 the number of bags made up in the London and Preston Travelling Post Office Down Night Mail was 51 and in the up mail 44. The number of bags at present made up in the same post office (which now runs between London and Aberdeen) is 403 on the down journey and 326 on the up journey.

The establishment of the London and Preston Travelling Post Office was followed by others between Rugby and Newcastle-on-Tyne (in May 1845), Exeter and Bristol, Gloucester and Tamworth, and Chester and Holyhead, the last of which commenced running in March 1852; and further extensions of the system have since been made from time to time, with the result that there are now in Great Britain 73 separate travelling post offices, composed of 226 specially constructed carriages. The total number of post office vehicles, including bag tenders, employed in the distribution of letters and parcels is 249, and of this number 159 are fitted with apparatus for exchanging mail bags. The vehicles range in length from 15 feet 6 inches to 70 feet. The number of apparatus stations in Great Britain is 245.

Almost every main line of railway in the United Kingdom has now a Night Mail Travelling Post Office over its entire length and a large number have also one or more Day Mail Travelling Post Offices.

The first travelling post office in Ireland was established on the 1st January 1855 between Dublin and Cork in connection with the acceleration of the night mail to Cork, Limerick, and other towns on the Great Southern and Western Railway of Ireland. In 1860, in connection with further accelerations, arrangements were made for sorting the mails on the steamers between Holyhead and Kingstown, and travelling post offices were established between Dublin and Limerick and Dublin and Belfast. There are now 13 travelling post offices in Ireland.

On the 25th April 1860 a travelling post office was established between London and Dover for the sorting of the Continental mails, thereby enabling the delivery of letters to be accelerated in both directions.

On the 1st February 1859 a further means of accelerating the mails was introduced in the shape of a "limited mail" train *i.e.*, a train primarily devoted to the mail service, but allowed to carry a limited amount of passenger and parcel traffic. The first of these trains was employed for the Scotch Night Mail Service, and comprised three sorting carriages and three vans or tenders to convey such of the mail bags as it was not necessary to open in the travelling post office, in addition to the accommodation provided for passengers and luggage.

A further advance in the acceleration of mails was made in 1885 by the establishment of a "special mail train" on the London and North Western and Caledonian Railways, *i.e.*, a train devoted entirely to the mail service. This train runs in both directions between London and Aberdeen. Similar special trains have been running on the Great Western Railway since 1902 between London and Penzance.

Shortly after the establishment of the Parcel Post, arrangements were made for sorting parcels on the railway. The first Parcel Sorting Carriage was established in July 1885, and the

THE EARL OF WARWICK.

LORD HIGH ADMIRAL OF ENGLAND AND MASTER OF THE POSTS (BY ASSIGNMENT FROM T. WITHERINGS), 1642–44.

From an Engraving in the possession of W. V. Morten, Esq.

system has been extended until all the more important Night Mail Travelling Post Offices now include a Parcel sorting duty. The number of carriages specially constructed for Parcel Post work is 39.

The staff of the travelling post offices was at first composed of two special classes of officers, "clerks" and "mail guards," the former performing the sorting duties and the latter making up, receiving, and despatching the bags.

In May 1857 ordinary sorters were first employed in travelling post offices; in 1860 the class of mail guards was abolished and since then the class of clerks has gradually been replaced by assistant superintendents, overseers, sorters, and porters (London), and by overseers, sorting clerks and telegraphists and postmen (provinces), who now man the travelling post offices throughout the country.

Up to 1867 the travelling post offices were under the control of the Mail Office; between 1867 and 1875 they formed a separate branch, and in 1875 those in Great Britain were placed under the Circulation Office (now the London Postal Service), with the exception of a few travelling post offices and sorting carriages which are under the control of the provincial Surveyors. Those in Ireland are under the Controller of the Dublin Sorting Office or the local Surveyor.

The Packet Services and Foreign and Colonial Posts.

Until the time of Elizabeth the considerable written intercourse which must have been required for the trade between England and places abroad was conducted solely by the merchants concerned; and although the Queen ordered by proclamation in 1591 that no letters were to be sent to or from foreign countries except by the Posts, it seems clear that this related only to their inland transmission. It was not until 1619 that an effort was made to place the maintenance of foreign postal communication by sea as well as by land in official hands. A patent of James I. then established the office of Postmaster for Foreign Parts out of the King's Domains, and two merchants, the de Questers—father and son—were appointed to the post. But nothing effective was done in carrying out the duties of the office for some few years. On the 16th of March 1633, Thomas Witherings* succeeded to the appointment, and established a through service between England and the Continent (probably between Dover and

* In 1642 Witherings assigned his Patent to the Earl of Warwick (*see* illustration).

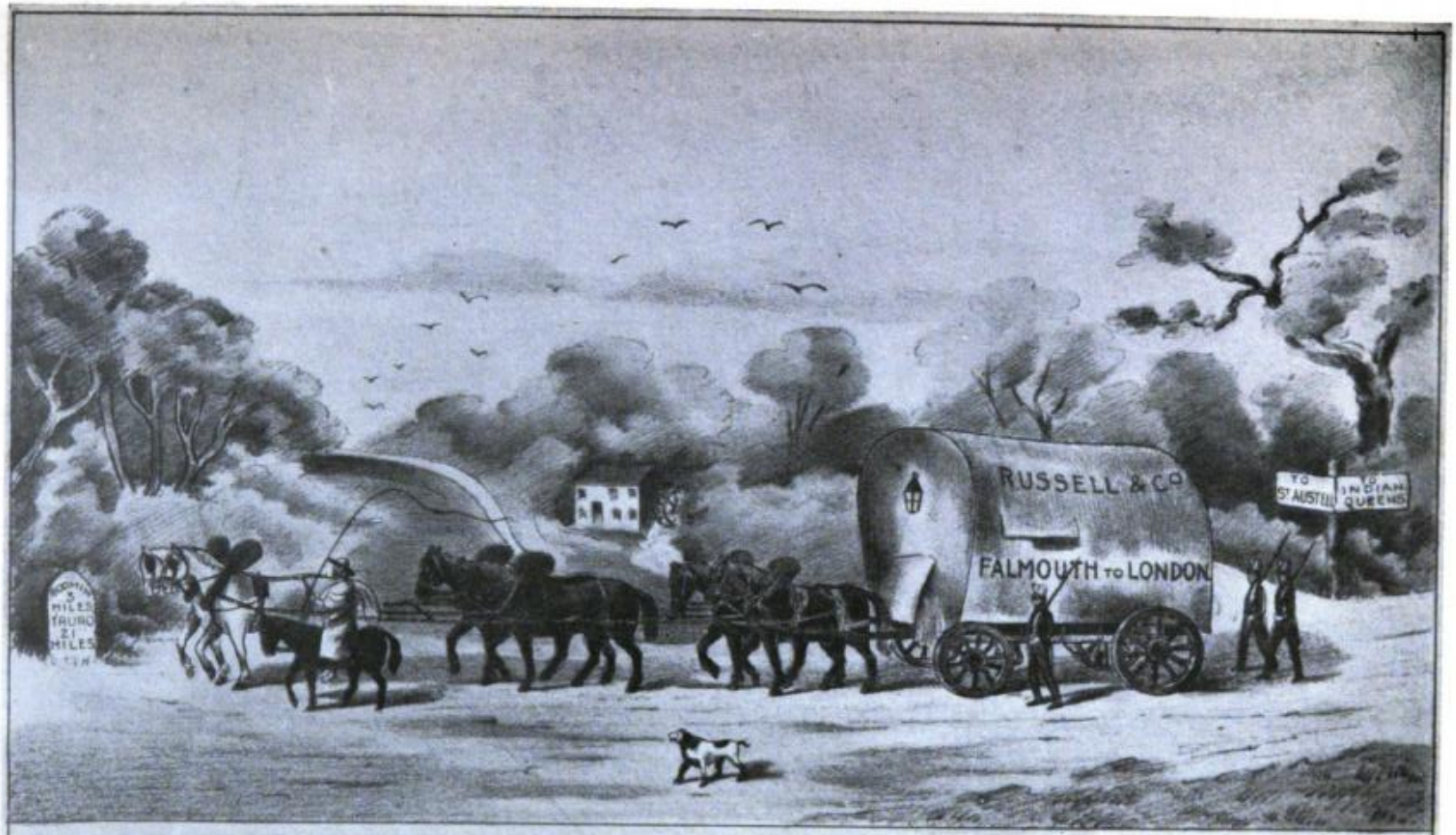
Calais), by means of small boats, chiefly propelled by oars—which must be regarded as the first English Packets. The majority of the merchants and others having foreign correspondence continued, however, without interference, to find their own means for the sea conveyance of their letters.

The chief concern of the Post Office at the time seems to have been the safeguarding of the inland postal revenue; for the first enactment on record concerning ship letters (the Commonwealth Act of 1657) related not to outgoing but to in-coming letters. A later Act (1660) provided that homeward bound ships were to give up all letters at the port of arrival. No pecuniary inducement was, it appears, at first offered to the masters of the ships to hand over the letters they brought; but from about the year 1700 mention is found in the official papers of a payment to private Ship-Masters of one penny for every letter handed to the Post Office in this country or in the colonies over sea.

That this was an innovation is proved by the fact that, in connexion with a report of Mr. Hamilton (appointed Deputy Postmaster-General of American Plantations in 1692) on the mail service between the Plantations and the United Kingdom, the Treasury questioned the Post Office as to the authority for making such payment. The answer was, that there was no authority, but that, as the existing law was insufficient to compel Masters to deliver to the Post Office the letters they brought, the allowance of a penny a letter had been customary, as an inducement, even during the time when the Post Office was *in farm*.

The Act of Parliament which was passed shortly afterwards (9 Anne, Ch. 10) sanctioned the payment of this gratuity. The same Act (17th section) conferred on the Postmaster-General a monopoly of the conveyance of letters by land or sea in the United Kingdom and Her Majesty's Colonies and Plantations in America and the West Indies, and imposed a penalty of 5*l*. for every infringement, and 100*l*. for every week the offence was continued.

In the endeavour to keep pace with the growth of trade, the Post Office now extended the service of Packet Boats. The existing services on the eastern coasts were between Harwich and Helvoetsluis in Holland, and between Dover and Calais, and on the western coast between Holyhead and Kingstown, Milford and Waterford, and Portpatrick and Donaghadee. One of the early extensions to foreign ports—no doubt due to pressure from the mercantile community—was the service to Corunna, started from Falmouth in 1688. Very shortly afterwards services were established from the same port to the West Indies and North America, and also to Lisbon; and by the close of the 18th century, Packets were sailing to almost every part of the world.



LEAVING THE OFFICES, KILLIGREW STREET EVERY MONDAY AT NOON. AND ARRIVING AT THE CASTLE AND FALCON INN, ALDERSGATE STREET, LONDON, ON THE FOLLOWING SATURDAY. JUNE. 1833.

The Packets were either hired from the Commanders who ran them, or were the property of the Crown. The hiring arrangement, which was the more general one, is illustrated by the particulars given in Appendix A. of the war and peace establishments of Packets on the Falmouth and the Harwich stations.

On the short sea services from Harwich, Dover, &c., the ships were of about 70 tons burden, whereas on the ocean routes from Falmouth the tonnage ranged from 150 to 170 tons. The Commissioners of Fees and Gratuities who enquired into the conduct of the Packet Service in 1788 expressed the view that the "burthen of the Falmouth Packets should be 150 tons, " and their complement eighteen men ; *vessels of this Descrip-* " *tion being fit to go to any Part of the World . . .*"

Intermediary between the Postmasters-General and the Commanders of the Packets were agents appointed by the Department, whose duty it was to see that the Conditions of the Contracts were duly fulfilled, especially as regards the equipment of the ships, the complement of the crews and the payment of wages.

The Contracts were determinable at the expiration of 7, 14, or 21 years, as the parties agreed, by giving six months' notice, and as, once a Packet was hired, the Post Office paid all wear and tear and miscellaneous expenses, and, in case of capture by an enemy, paid also to the owner the original cost of the vessel, the Packet Establishment became very costly.*

Necessarily the agents were given much power; and it is clear from the official records that their power was grossly abused, especially at Falmouth, the Commissioners of Enquiry already alluded to reporting in the year 1788 that the Management of the Packets had become "an unbounded source of Expense and Peculation." The scandal must have lasted many years; for as early as 1777 it is recorded in a letter from Lord George Germain to William Knox, Under Secretary for the Colonial Department, that the King had spoken about the bad state of the Packet Boats, and had ordered representations on the subject to be made to the Post Office. Unfortunately the Post Office itself was deeply implicated. Although, as already stated, the Packets were hired from their Commanders, the Commission of Enquiry found that in many cases Officers of the Post Office were the actual owners of the Packets, and that the Principal Officer in this Department (The Secretary) received in one way and another emoluments from the Packet Service which in the course of 17 years amounted to little less than 50,000*l*.

The outcome of this enquiry was the promulgation of an order prohibiting any person employed in the Post Office from

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* *See* the copy of an account of current expenses of the service, 5th April 1795—5th April 1796 in Appendix B.

being concerned directly or indirectly in the Packets or as Agents for the owners.

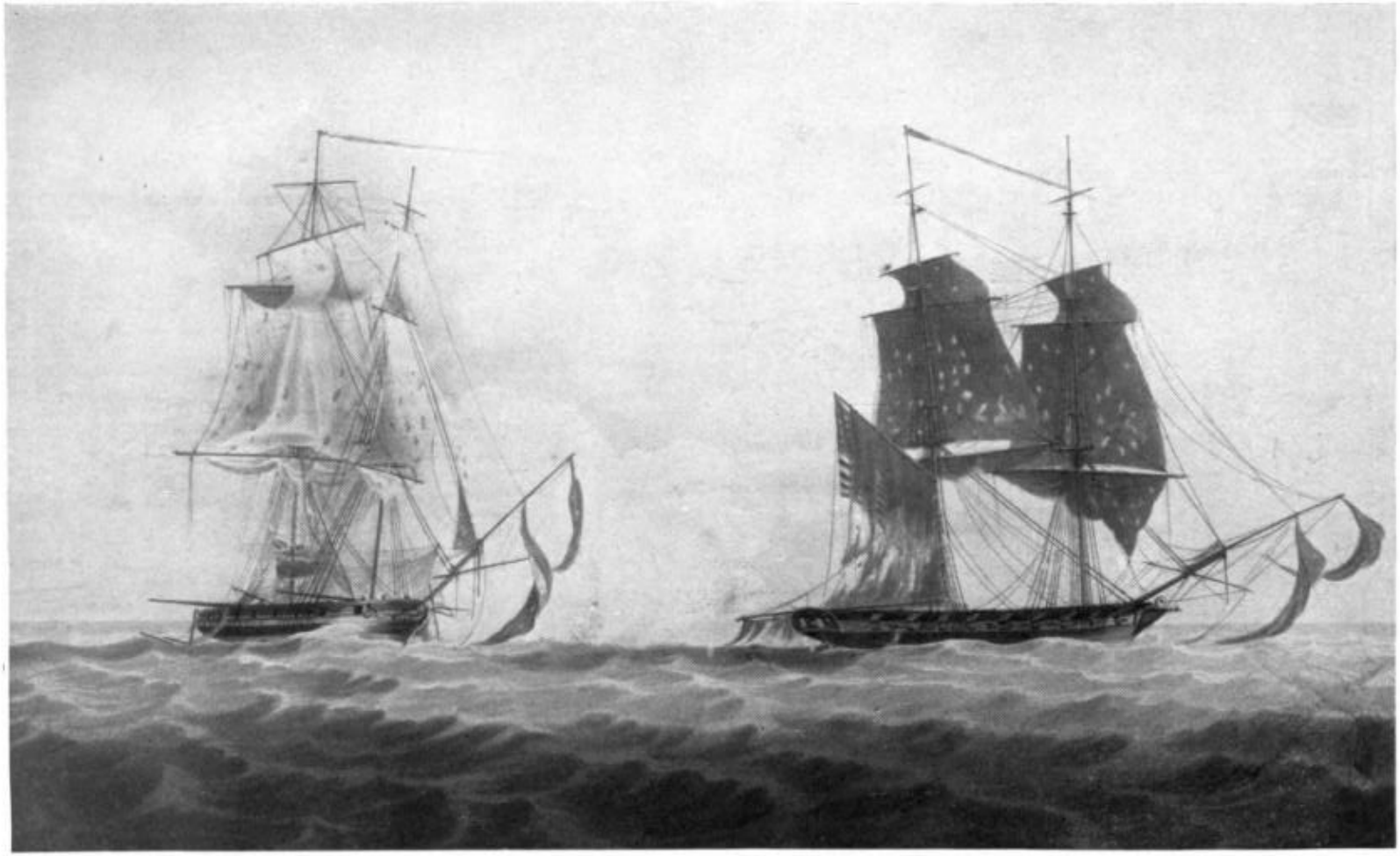
This was of course a time of war; and not a Packet left the shores of England on an outward voyage, or any of the foreign or colonial ports in its itinerary on the way home, but at the risk of being chased, captured or sunk by privateers or by the enemy's warships. The Packets, which carried bullion* as well as Mails, and therefore offered no mean temptation to sea rovers, were armed; sometimes so well armed that they were able to turn on their pursuers and beat them. More than once there was evidence that the Commander's knowledge of his strength had tempted him to look for trouble on the high seas in the hope of plunder—to become, in fact, a pirate. To stop this, the Committee of Enquiry had recommended that every idea of defence should be relinquished, and that the Packets should depend for their safety solely upon fast sailing.

The Postmasters-General, however, supported by professional opinion, decided not to go to this length, but "to make the "experiment of not arming the Packets against an enemy in "force but only against Row Boats and small Privateers." Thus, while the Contracts with the Commanders provided that officers and seamen on board should at all times defend their Ship against the attack of an enemy to the utmost of their power, the Commanders were instructed that it was their first duty to outsail an enemy, and by no means to fight if an action could be avoided. Where fighting was unavoidable and surrender became necessary, the mails were to be sunk. The records show many instances of the instructions having been faithfully carried out. A despatch from the Secretary to the Post Office, Mr. Anthony Todd, to the Packet Agent at Falmouth dated the 30th of October 1795, which was published as an appendix to the Report of the Select Committee on Finance, 1797, makes allusion, for example, to the pensions allowed "in consequence "of the gallant defence of the 'Antelope' Packet in December "1793." This remarkable engagement is described in the letter and its enclosures printed in Appendix C., sent by the Postmasters-General to the Treasury in March 1794. It will be seen that the glowing account of the performances of a passenger named Nodin (Extract No. 1), which account was probably inspired by Mr. Nodin himself, is not confirmed by the report of the Boatswain and Gunner.

Another notable engagement took place on the 1st of May 1814 between the Packet "Hinchinbrook" and the American Privateer "Grand Turk" (*see* illustration).

The responsibilities of the Postmaster-General did not apparently lie solely with the Mails sent by the Packets, for the Agents' Letter Books reveal the receipt by them for despatch

* The bullion on disembarkation at Falmouth was sent to London in waggons belonging to the firm of Russell & Co. A guard of soldiers was provided for the waggons (*see* illustration facing page 48).



ENGAGEMENT BETWEEN THE PACKET "HINCHINBROOK" AND THE AMERICAN PRIVATEER "GRAND TURK" ON MAY 1ST, 1814.

From a Print in the possession of E. Crabb, Esq., C.B.

of many articles of a miscellaneous character consigned for the most part to important people, such as:—

"Fifteen couple of hounds going to the King of the Romans with a free pass."

"Some parcels of cloth for the Clothing Colonels in my Lord North's and my Lord Grey's regiments."

"Two servant maids going as laundresses to my Lord Ambassador Methuen."

In spite of all the endeavours of the Government to maintain regular Packet Services, it would appear from a report of a Mr. Bourne, Assistant Inspector of Dead Letters, in moving the Post Office in the year 1798 to establish a Ship Letter Office, that the Postmasters-General did "not possess the means "sufficiently to secure and facilitate the conveyance of all "correspondence now carried by private ships," and the established medium for the conveyance of letters was "so "evidently defective as to render the mode of sending them by "private vessels and private persons indispensable." This officer pointed out that the despatch of letters from the United Kingdom, and more especially London, by private means had assumed vast proportions, although the practice was contrary to law. Most of the Coffee Houses in the City of London openly kept bags for the collection of letters to be forwarded by merchant ships; and Mr. Bourne, recognising the gravity of attempting any sudden check upon this international intercourse, by enforcing the law at a time when Packets could not be substituted for private ships, proposed that, when the ships for which the letters were intended to be conveyed were ready to sail, the bags of letters should be carried from the Coffee Houses and other places of collection to the Post Office, where the letters should be charged and stamped with the Office mark, placed in bags directed to the Post Office of the port to which they were to be conveyed, and, after being sealed with the official seal, delivered to the captain of the ship, and his receipt taken for them.

Clearly, then, up to the time when Mr. Bourne's report was made, a great part of the correspondence between England and the rest of the world was being conducted at haphazard. Mails were not officially tendered to the Masters of private ships. The bags tendered by the proprietors of the various private collecting agencies were accepted or not at the option of the Master; and, as there was no check on his proceedings, it was at his discretion, after having received a bag, whether he delivered it, or opened it and destroyed the contents. In these circumstances, the Postmaster-General recommended the adoption of Mr. Bourne's scheme to the Treasury, and an Act was forthwith passed (39 Geo. 3, Ch. 76), legalising the despatch and receipt of letters in bags by ships other than Packets at "rates "equal to one half of what is now paid for letters sent beyond "the seas." The gratuity to Masters was at the same time

increased to twopence per letter. The Ship Letter Office was established on the 10th of September 1799. The collection and despatch of letters to places abroad by private agencies nevertheless continued to flourish; and in 1809 it was admitted that the Post Office could not see its way to enforce the laws on the subject.

The Post Office was often embarrassed by the zeal of Customs Officers in seizing at Gravesend, Harwich, and other ports, and handing to the Post Office, letters which were about to be conveyed out of the Kingdom. Having possession of the letters, the Post Office was bound to open and return them to the senders for the inland and foreign postage, in order that they might be subsequently sent forward by the legal conveyances "which to the Continent of Europe is in many instances circuitous and by no means safe and certain." The strong representations of the merchants to the Board of Trade respecting the harm they suffered from the seizures resulted in the despatch of a letter to the Post Office from the Lords of the Treasury pointing out the evils which had arisen from the proceedings, and adverting to the Act of 39th of Geo. 3 as *not authorizing such a measure.*

This state of affairs continued until the year 1818, when an action was entered by the Post Office against the keeper of the "New England" Coffee House for the illegal collection of letters. The action was, however, subsequently withdrawn upon the payment by the offender of a penalty of 5*l.*, and the expression of his regret in certain public prints for the breach of the law. In 1827 it was found that the Coffee Houses were collecting letters with greater diligence than ever. Action was again taken, and again withdrawn upon the payment of the penalty by the offenders.

In 1837, all the previous Post Office Acts were repealed or partly repealed, and consolidated under Acts 1 Vic., Ch. 34, and 1 Vic., Ch. 36. For the first time, it was laid down that the Postmaster-General was entitled to tender letter bags to the Masters of outward bound vessels, who, on their part, were bound to receive them, and, having received them, to deliver them on arrival at the port or place of destination without delay. The penalty for refusing to take a letter bag delivered or tendered by an officer of the Post Office was fixed at 200*l.*

For some years after the passing of the Ship Letter Act, postal communication between the United Kingdom and the rest of the world was almost entirely at the mercy of wind and weather. All long distance journeys were performed by sailing ships. The Post Office Packets sailed, weather permitting, on fixed dates; but the advantage to the public from the circumstance as compared with the service performed by private ships was not great; for the duration of the voyage was uncertain.

The advent of steamships, with their advantages of punctual departures and comparatively short passages, gradually changed the situation. In 1816 steam communication was established with Ireland by means of the ship "Hibernia," which ran between Holyhead and Howth. She was of 112 tons burden, and was the pioneer of the principal cross-channel service in the United Kingdom, but the "Lightning," built in 1821, is the first steamship recorded to have been used in the Mail Service. She was of 205 tons burden and ran between Holyhead and Dublin. Steam Packet Services by Government owned vessels were soon after established to Calais, Ostend, Hamburg and Gothenburg; but the old order of things showed little change until steamships were placed on the Portuguese, Mediterranean, and trans-Atlantic services. It was now found that the ordinary supply of trading vessels would no longer suffice; and, although it was at first convenient to provide Crown Vessels for the short sea services, it became evident that outside means would have to be sought for the conveyance of mails by the Ocean routes. The steamship "Sirius" left England for America on the 31st of March 1838, and carried a ship letter mail consisting of over three hundred letters and fifty or so newspapers. As soon as it was learned that she and another steamship, the "Great Western," could perform the voyage in safety, the public was quick to take advantage of the new and speedy channel for the despatch of correspondence; and the mails rapidly increased in bulk. The Government was as eager as the public to benefit by the new order of things, and proposed to despatch by the "Great Western," instead of by its own sailing Packets, the Public Despatches and ordinary letter Bags, under the power conferred on the Postmaster-General by the Act 1. Vic., Ch. 34, section 19, and to pay for the service the Gratuities authorised by the 24th Section of the Act. The owners, however, refused to convey the mails for this "pittance," as they described it, and demanded half the postage received by the Post Office, a demand which the Post Office rejected as unreasonable. An offer of 100*l*. for each outward trip and 100*l*. for each homeward trip in lieu of gratuities was refused by the owners as inadequate, and the Law Officers advised that neither by Statute nor by Common Law could the proprietors of the "Great Western" be compelled to carry the Post Office bags. The Post Office did not pursue the matter with those proprietors; for negotiations for the conveyance of mails between England and North America by means of steamships were in progress with another party—Samuel Cunard, with whom a contract was concluded on the 4th of May 1839, providing a subsidy of 55,000*l*.

This contract was made not by the Post Office but by the Admiralty, to which, in January 1837, the arrangements for the Packet Services hitherto undertaken by the Post Office had been transferred. The opinion was then held that the Packet Service should be designed not merely for the maintenance of

postal communication, but for purposes of a naval reserve both as regards ships and men, and that the conclusion of contracts for such semi-naval arrangements should more properly be in the hands of the Admiralty. The Post Office fought for the retention of its old control over the Packet Services; but it had to give way.

It now became the policy of the Government to induce Commercial Companies to build steamers; and with that view the contracts were at first made for periods which would secure to the Companies the full benefit of their original outlay. When the public interest required the establishment of a Postal line of which the ordinary traffic was not remunerative for steamers, the subsidy to be allowed was ascertained (1) by the test of public competition, or (2) by calculating the amount which, on an estimate of the probable receipts and expenditure, would cover the deficiency of receipts, or (3) by comparing it with the cost of war vessels if employed for the same purpose. The objects of the contracts were declared to be—"to afford a rapid, "frequent, and punctual communication with those distant "ports which feed the main arteries of British Commerce, and "with the most important of our foreign possessions; to foster "maritime enterprise, and to encourage the production of a "superior class of vessels which would promote the convenience "and wealth of the country in time of peace, and assist in "defending its shores against hostile aggression."

The Committee appointed in 1853 to enquire into the working of the Packet Services found that the objects in view had been attained. They reported, however, that when provision had to be made for the conveyance of the Mails in cases where steamers employed for passengers and commerce were available, and there was effective competition, it was not necessary, as had been formerly the case, to subsidise the contractors by contributing a considerable portion of their receipts, since the State might fairly expect to get the service done for a payment which would cover the freight of the Mail bags, and compensate for the prescribed punctuality of departure and arrival, and for any increase of speed that might be agreed upon. The Committee further reported against some of the provisions, not bearing directly upon the efficiency of the Postal Service, which it had been customary to include in Mail Contracts.

The annual charge for subsidies had at that time (1853) become a serious item of National expenditure, amounting to 853,140*l*., which sum did not include the cost of the portion of the Packet Service still carried on by Government vessels, namely, the services between Dover and Calais and Dover and Ostend.

Three-fourths of the subsidy fell to three great companies —the Peninsular and Oriental, the Royal Mail, and Messrs. Cunard. The first, as now, had for its chief object the maintenance of frequent and regular communication with the British

Possessions in India and the Far East, the second was designed to keep up that with the West Indies, and the third, besides embracing a highly important foreign service, brought us into close contact with our North American Provinces. The Committee laid stress on the value of these services as tending to the security of the different parts of the Empire and to the maintenance of satisfactory commercial and political relations with them.

Very soon after the Committee had reported, the Packet Service was thrown into confusion by the Crimean War. Steam vessels were urgently needed for the conveyance of troops and stores to the Black Sea, and it was found necessary to release several companies for a time from the execution in whole or in part of their contracts for the conveyance of the mails. By the end of December 1854 no fewer than 28 ships of the five companies charged with the conveyance of the principal colonial and foreign mails, and these the best vessels of their fleets, had been taken up by the Government for the service of the war. The steamship service to Australia both by way of India and the Cape of Good Hope had to be abandoned, and the Department had to depend upon temporary engagements with sailing vessels (clipper ships) for the maintenance of postal communication with the Antipodes, the owners contracting to perform the service in a given number of days, subject to penalties for delay in sailing or for excess of time on the voyage. The contracts were terminable at any time on six weeks' notice, so as to allow the Imperial Government, in conjunction with the Colonial Governments, to conclude arrangements for the re-establishment of steam communication between the United Kingdom and the Australian Colonies at the earliest opportunity. This came in 1855, when the Admiralty entered into a contract with the European and Australian Royal Mail Company for the conveyance of a monthly mail between this country and the Australian Colonies *viâ* Suez. One half of the cost was defrayed by the Mother Country and one half by the Colonies, a procedure which the Treasury laid down to be followed, where possible, in the case of all contracts for Packet Services with our possessions abroad. The Company was bound under penalties, which were to be levied without regard to the causes of delay, to carry the mails between Southampton and Melbourne in 54 days.

The labour at the Admiralty incidental to the control of the Packet Service became so serious, as steamship communication with the various places abroad increased, that the Lords Commissioners appealed to the Treasury in January 1860 to be relieved of the burden. They pointed out that since the Government-owned Packets were transferred to their Board in 1836, the maintenance of such Vessels had been gradually dropped, and their place was now entirely taken by contract services. The scheme in mind in 1836 for rendering the

Government Packets available for war purposes had, they added, been subsequently found to be incompatible with the nature of the service on which the vessels were employed, and had been abandoned. In these circumstances there were no longer any grounds for continuing the Packet Service under the Admiralty, and their Lordships proposed the re-transfer of the control and management of the service to the Post Office. The Treasury, after consultation with the Postmaster-General, acquiesced in the proposal, and Act 23 Vic., Cap. 6, sanctioned the transfer, which formally took place on the 1st of April 1860.

From that time onward the story of the Packet Service is one of continuous increase in the size and speed of mail ships, accompanied (as trade followed the flag and there was less need for subsidies to build up new routes) by continuous decrease in most Post Office payments for the services rendered. Fifty years ago when the largest and most powerful steamer employed (the "Scotia," on the North American Service) was of 3,871 tons burden and 1,000 horse-power only, the amount paid in subsidies was 989,580*l.* per annum, whereas to-day, when one of the largest and most powerful steamers afloat (the "Mauretania") is of 31,938 tons burden and 70,000 horse-power (designed), the British Packet Service annual expenditure is, roughly, 800,000*l.* only.

The general public in the United Kingdom had never cherished the principle of subsidies, and in the 'seventies, the popular objection to subsidising Ocean Packet Services, and the American Mail Service in particular, was expressed in very strong terms. An outcry for the abolition of the American Mail Subsidy was strengthened by the fact that an experiment of the United States Post Office in sending mails to the United Kingdom by the fastest available steamships taken up month by month with payment not by subsidy, but for the actual weight of correspondence carried, had proved brilliantly successful, and it was persistently asked that a trial of the system should be made here. The contracts with the subsidised Companies (Cunard, Inman and North German Lloyd) were accordingly terminated at the end of the year 1876, and the details of the American Scheme were embodied in one formulated by the Post Office. It did not work well for many reasons, and the Post Office ultimately fell into the toils of what was popularly known as the "Liverpool Shipping Ring." It freed itself as the result of an action with the Cunard Steamship Company in which on 31st May 1889 a decree was pronounced to the effect:—

"That the Postmaster General is entitled to have all such post letter bags as he shall think fit received on board all or any vessels belonging to or chartered by the defendant Companies, outward bound from Liverpool or any other ports or places in the United Kingdom, for conveyance upon such ships or vessels to

their respective ports or places of destination; and to have the same conveyed and delivered without delay on the arrival of such ships or vessels at such ports or places of destination."

Since the date of the decree the Post Office has had no similar difficulty in connection with the disposal of ship mails. For example, between the expiration of the Contract with the Royal Mail Steam Packet Company for the West Indian Mail Service in 1905 and the arrangement of a new Contract in 1907 this important service was carried on entirely on the ship letter basis of ½*d.* per article.

It will have been seen that, during the period which has been passed under review, different systems had been successively adopted for defraying the cost of mail-transport by sea. Under every system, however, the cost of course varied; and, until so late a date as 1st July 1875, there was a consequent variation in the rates of postage charged to the public. These rates were, in fact, based on the combined cost of the sea and land conveyance. The cost of conveyance by land varied, in its turn, according to the number of separate countries to be crossed. Each country fixed its own charges, which were regulated by varying scales of progression and units of weight.

Postage rates with the Colonies were settled by negotiation with the local authorities and with foreign countries by treaty or convention, each country making the best bargain it could for itself. The negotiation of so many separate schemes was as tiresome as the process of carrying them out was cumbrous. The postage had to be calculated on each letter or packet and credit awarded at the proper scale to each Administration concerned in the conveyance. An inevitable consequence of these complicated operations was delay at every office of exchange, so serious as almost to neutralise the saving of time now afforded by railways and steamships.

The rapid growth of commerce in the first half of the nineteenth century, the subsequent spread of education, and the enormously improved facilities for travel, in time made some change imperative.

Public opinion in the United Kingdom had insisted upon the simplification of inland postage rates which the introduction of railway transport had made possible; and the establishment of penny postage and the introduction of postage stamps were followed by similar reforms in other countries. The maintenance of international postal relations on principles which had been declared unsound in the various internal services was obviously an untenable policy, and the British and other leading Post Offices of the world cast about for a means of introducing uniformity. A proposal of the United States Post Office in 1862 that a Postal Congress of all nations should meet to discuss the urgent need for reform afforded the opportunity; and the representatives of 15 Governments met at Paris on the 11th of

May 1863. The Conference lasted until the 8th of June, and discussed 36 points grouped around the three fundamental questions of:—

(1) Uniformity of weights,
(2) Uniformity of rates, and
(3) Simplification of accounting.

Its labours bore no immediate fruit. As the Governments controlling the larger postal services and the greater part of the land and sea conveyance could not but see that the adoption of the principles laid down would involve at the outset loss of revenue, they were naturally reluctant to make a change. The general demand for a change was, however, too strong to be long resisted. Dr. von Stephan, who was attached to the North German Postal Confederation, published a project in 1868, based on the decisions arrived at at Paris, for a Universal Postal Union; and the Swiss Government invited the other Governments of Europe, of the United States, and of Egypt, to send representatives to discuss the scheme at Berne.

The Congress met in the Swiss capital on the 15th of September 1874 and on the 19th of October signed the Act constituting the Postal Union. It was to come into force on the 1st of July 1875. Under the provisions of the new Convention, a common régime was accepted throughout the whole postal service; freedom of transit by land and sea was guaranteed by every country to every other country; rates of postage were made uniform, that is to say, in future each country was to charge a uniform rate for each category of correspondence addressed to other contracting countries; no charge of any kind was to be collected in the country of origin from the sender of correspondence or in the country of destination from the addressee, other than that prescribed by the regulations; the onus of providing for the conveyance of mails was to rest on the country of origin, all intermediate services used by such country to be paid for at fixed rates and upon the basis of periodical statistics.

The effect of the new system was beneficial alike to the public and to the Post Office, and new adhesions to the Union were so frequent, that in a short time nearly the whole of the civilised world was included in it. Immediately on the formation of the Union in 1874, steps had been taken to make the British Colonies generally aware of the conditions under which it would be competent for them to apply for admission. Her Majesty's Government considered that the entry of the Colonies would be more beneficial to the Colonial communities than to those at home, and while not wishing to enforce at first a rigid adherence to the Union System as to division of expense, the Treasury laid down in the first instance that additional loss incurred by Great Britain through the reduction of the postage consequent on such entry should be evenly shared with the

Mother Country by any Colony entering. These terms were very widely accepted by the Colonies, and the Union system has worked so well in our Colonial Empire that most of the Colonies with which communication is maintained by means of British contract packets now carry out the Union principles in their integrity, and bear their estimated share of the loss on the Packet service.

As Congress followed Congress new avenues of postal activity were opened. Thus at Paris in 1878 special agreements were elaborated for the exchange of Money Orders and of insured articles. A parcel post agreement was added in 1880, and was signed by 19 Union Countries; but, although the representatives of Great Britain assisted at the discussions, they were unable to sign the Agreement, as no inland parcel post existed in the United Kingdom. When the Bill was passed in 1882 which legalised the establishment of such a post it was found that the International Agreement was not suited to British requirements; and it was decided to make extensions of the service to foreign countries by separate agreements and by negotiations with the various units of the British Empire.

Among the improvements to the main Convention which were the result of the labours of the next Congress, held at Lisbon in 1885, figure the system of "Express" delivery of correspondence; the exchange by post of articles of gold and silver, precious stones, jewels and other precious articles between countries of which the legislation does not forbid the transmission of such articles; and the use of postcards of private manufacture. Two new subsidiary arrangements were also introduced and agreed to by many parties to the Union, the first relating to the collection of Trade Charges, and the second to the system of identity cards (*livrets d'identité*) intended to establish the identity of persons calling at Post Offices in connexion with postal matters.

A small conference was called at Brussels in 1890 for the convenience of a few European States desiring a subsidiary Postal Union agreement for the payment of subscriptions to newspapers through the Post.

The next full Congress met at Vienna in 1891, and decided upon many further improvements. Among these were the general issue of reply paid postcards; the admissibility of unpaid postcards in the same conditions as unpaid letters; the regularization of the method of prepaying the postage on letters posted on board ships; the exchange of correspondence with ships of war in foreign ports; the delivery to addressees free of charge of unpaid or insufficiently paid registered articles; the obligation to propose the setting up of legislation to prevent the manufacture and use of imitation or counterfeit postage stamps; the use of the International Bureau at Berne as a clearing-house for the liquidation of accounts of all kinds relating to the

International postal service; and the admission of boxes containing jewellery and other precious articles to the insured letter post.

The principal work of the Congress which met at Washington in 1897 was connected with the revision of land and sea transit payments. Several countries had consistently endeavoured to convert the Union to the view that the ideal of the Postal Union would not be reached until the transit of correspondence both by land and sea was gratuitous. Such an arrangement would naturally press with undue severity on those countries which by their geographical position have to render more service than others not so situated. This is of course the case with Great Britain, which is the natural highway for the passage of correspondence between the Eastern and Western Hemispheres, and the possessor of by far the largest Mercantile Marine. It has therefore always been the policy of the British Post Office at meetings of the Postal Union to maintain that a moderate payment for transit is equitable and essential for the carrying on of an efficient International Service. Measures aimed against this policy at Washington were strongly and successfully opposed, not only by the delegates of Great Britain, but by other countries with large land transit interests at stake, such as France and Italy.

A question of equal, if not greater, importance to this country was settled at Washington. Under the Postal Union Convention all countries had the right reserved to them to form restricted Unions with the view of "ameliorating postal relations"; and that the way might be clear to reducing postage within the British Empire, the British delegation raised the question whether the right conferred by the Convention included reduction of postage. The decision was in favour of the view; and the outcome of it has been the introduction (1897) of the Imperial Penny Postage Scheme, with its extensions to the United States and Egypt, and the Magazine Post between Canada (1907) and Newfoundland (1909) and the Mother Country.

The latest Postal Union Congress was held at Rome in 1906, when the question of transit rates was again discussed, and reductions were made in the charges for both the land and sea transit of closed mails. Piece accounting was reverted to in connection with correspondence sent *à découvert*, but the relative accounts were to be based on statistics taken once every six years. International letter postage was also reduced for the first time since the Union was founded from 25 centimes for each 15 grammes to 25 centimes for the first 20 grammes and 15 centimes for each subsequent 20 grammes. One ounce avoirdupois (28·3465 grammes) was assimilated to 20 grammes; and British letter writers thus obtained a decided advantage over the public in countries with the metric system of weights.

Overland Mails.

The Indian Mail.

The monopoly of trade with India and the East generally, conferred by the Crown in December 1600 by charter upon the East India Company, left the maintenance of postal communication with the whole of the vast space from the Cape of Good Hope eastward to Cape Horn in the hands of the company. The ships of the company called on the way to India at the Cape of Good Hope and Mauritius and conveyed letters to and from those places also. Trade grew rapidly, perhaps at a greater speed than to any other part of the earth with which British merchants had dealings. Thus, while communication between the Mother Country and the colonies generally was slow and irregular, the frequent sailings of the ships of the East India Company removed any ground for complaint in that respect so far as India was concerned.

The Post Office did not bestir itself to interfere in the arrangements of the company until towards the end of the reign of George III. Much foreign correspondence at that time passed through private hands and not through the Post Office; and by Act of Parliament 59 George III., Cap. III., Section VI., letters for the East Indies, the Cape, Ceylon and Mauritius were allowed to be sent otherwise than through the post. At the same time, however, Section VII. of the Act required the master of every ship sailing to those places to convey mails thither free of charge to the Post Office.

With the immense increase of trade there arose agitation for accelerated means of communication with India. The pioneer in the movement for a fast service was Thomas Waghorn, a member of the Bengal Pilot Service. In a letter dated 30th July 1827 he propounded to the Post Office a scheme for a subsidy to enable him to build and maintain a steamship to ply between this country and India *viâ* the Cape of Good Hope. The Government, however, were not disposed to pass a special Act relieving him from the obligation to carry mails free to India; and the scheme appears to have dropped. Waghorn then hit upon the plan of opening up a route to India *viâ* Egypt. In a letter to the Secretary of the Post Office, dated 4th September 1829, he stated that a steamship was about to be sent from Bombay to Suez and back, and that he proposed to leave London with letters on the 1st of October, by way of Paris, Marseilles and Alexandria, and to join that ship at Suez. He actually travelled *viâ* Trieste to Alexandria, across Egypt to Suez, and, not finding the expected steamer, made his way down

the Red Sea by native boat and finished the voyage in the "Thetis" man-of-war. Convinced of the practicability of the Suez route, Waghorn proceeded to stir up public opinion both in India and at home for its development. The British mail steamers already went to Malta; and, as he pointed out, all that was necessary was for the Government to continue their voyage to Alexandria and provide for the conveyance across Egypt, and for the East India Company to run steamers between Suez and Bombay. The scheme would, he contended, enable mails to reach India in 60 days, half the time occupied by way of the Cape.

Several years passed before the British Government and the Company could make up their minds to spend 100,000*l.* a year on the conveyance of mails, which had until then cost them next to nothing; but in 1837 the overland mail service was at length established, the arrangements for the transit of the mails across Egypt being entrusted to Mr. Waghorn. Very little experience showed that the mails between this country and Egypt would go more quickly if sent through France than they could by steamer all the way between Falmouth and Alexandria; and a special Indian mail service under the charge of a British Officer was begun between Calais and Marseilles in 1839. The mail was packed in iron boxes fastened by means of internal springs so that the boxes could only be opened by cutting through the lids with a pair of shears. A special coach was provided for its conveyance between Calais and Paris. Between Paris and Marseilles, which was reached on the fifth day after leaving London, sufficient room was found in the ordinary mail coach by excluding "inside" passengers. The coaches ceased running as railway trains took their place.

In the autumn of 1870, in consequence of the interruption of communication by the operations of the Franco-German War, it became necessary to divert the mails from Marseilles to Brindisi *viâ* Belgium and Germany; and this route was followed until the 5th of January 1872, when the opening of the Mont Cenis Tunnel afforded a shorter and quicker journey to the South of Italy. The route of Calais and Brindisi has been followed ever since.

The mails on arrival in Egypt were at first disembarked at Alexandria into boats and conveyed through the Mahmoudieh Canal and the Nile to Cairo, whence they were transported on camels to Suez and there embarked on the steamers for Bombay. The Egyptian transit occupied altogether about five days, namely, three days by canal and river to Cairo and two days across the desert. In 1855 a railway was opened from Alexandria to the Nile, and was used for the Indian Mail; but the camel transport remained in use until 1858, when the railway planned by Mr. Robert Stephenson was opened for traffic between Cairo and Suez.

The Suez Canal, begun about this time, was formally opened on the 16th November 1869, but steamers could only proceed during daylight; and in view of the slow rate of passage permitted (about 5 miles an hour) the mails continued to be sent across Egypt by the railway, on which the maximum speed was from 25 to 27 miles an hour. By convention between the British and Egyptian Governments, dated 18th May 1873, the transit, apart from the time occupied in the two transhipments, was not to exceed 16 hours.

The larger portions of the mails, containing letters prepaid at the lower rate of 9*d.* per ½ oz., were actually embarked on the Peninsular and Oriental Packets in England, and were conveyed by sea *viâ* Gibraltar to Alexandria. This arrangement was given up in 1874; and these mails then went on directly through the canal. The rest of the mails, containing the correspondence prepaid at the rate of 1*s.* per ½ oz. for transmission overland *viâ* Brindisi, continued to be landed at Alexandria and sent by railway to Suez. In 1888 the canal authorities withdrew the restriction against night travelling, on condition that the Packets carried powerful electric head-lights. The use of the railway was then given up, and the canal route was adopted instead for mails and passengers alike. The new contract with the Peninsular and Oriental Company allowed 30 hours for the journey through the canal, which now occupies on an average 18 hours. The transit from England to India in 1856 occupied 74 days *viâ* the Cape of Good Hope and Point de Galle in Ceylon to Calcutta. It is now effected by the Suez route to Bombay in 13½ days.

The Trans-Siberian Mail Service.

The question of sending mails *viâ* Siberia was first considered in the year 1896, when a scheme was advanced by the Compagnie Internationale des Wagons-Lits for the institution in the course of a year or so from that time of a transit service to Vladivostok. The service involved conveyance by steamship on the Amur. It was calculated that the Sleeping Car Company would want help from the British Government to the extent of 81,000*l.* a year; and it was decided that the scheme was too visionary to admit of the necessary support being given by the Government.

It is probable that at this time little, if any, correspondence from this country was being sent *viâ* Siberia. The Russian Post Office transmitted correspondence; but the railway was incomplete, and over considerable parts of the journey conveyance was effected by caravan or other means. The time of transit from this country under such conditions was about six to eight weeks to Vladivostok, and five or six weeks to Peking.

It was not until 1902 that the Russian Post Office announced its readiness shortly to receive correspondence from Postal Union countries, and the conditions as to rates, &c. which would be applied to such correspondence. The transit charges were fixed at a high rate; and in explanation the Russian Post Office stated that the Chinese Eastern Railway—the railway joining the Siberian line on the Northern frontier of Manchuria—was worked by a private company in a territory outside the Postal Union.

The Russian Post Office subsequently announced the 1st of October 1903 as the date for the opening of the Mail service. The time of transit from Moscow was given as about 16½ days both to Vladivostok and to Dalny, with a promise of an early acceleration. Arrangements were made for the despatch of letters and postcards if specially marked "Viâ Siberia" and fully prepaid. A similar course was followed by the German and other continental post offices.

In April 1904 the trans-Siberian Mail Service was suspended because of hostilities in the Far East. It was not re-opened until February 1907. The Russian Post Office announced that the service would be twice a week from Moscow, the time of transit thence being about 12 days to Vladivostok, and that for the time being no mails could be sent by the line running south from Harbin to Tientsin, Peking and Hankow *viâ* Kouantchentsi. The use of the service was restricted as before to specially superscribed letters and postcards. An additional mail train once a week from Moscow was shortly afterwards put on. The route of Kouantchentsi was opened to mail traffic in October 1907, and afforded rapid transit for mails for places on the Chinese railways. In 1908 arrangements were made for transmitting mails for Shanghai (containing correspondence for other important districts of China) *viâ* Kouantchentsi and Dalny (Dairen) as well as *viâ* Vladivostok, by which route they had hitherto been sent exclusively. On the institution in 1909 of the present Japanese Packet service twice a week from Dalny the Vladivostok route was given up for Shanghai mails. These are now transmitted from London by the Dalny service in 17 days.

Reply Coupons.

The object of the Reply Coupon system is to provide a convenient means of prepaying the reply to a letter sent abroad. It was adopted at the Postal Union Congress of 1906, and is the embodiment of a scheme put forward by the British delegates.

No more direct means has hitherto been devised. The Post Office of one country cannot undertake the cumbersome and costly method of stocking stamps of every other country in the Postal Union; and since the revenues of the different members of the Union are of course independent, a Postal Union stamp which could be bought in any one country of the Union and used in any other would be impracticable.

Reply Coupons are of a fixed pattern, and can be exchanged at a Post Office for a postage stamp of the value of 25 centimes or its equivalent.

The printing of the coupons is done by the International Bureau at the expense of the country of issue. The price at which the issuing country sells the coupons must not be less than 28 centimes. The country of issue redeems at this rate its coupons which other countries have exchanged, the International Bureau acting as Clearing House.

The Reply Coupon system has been adopted by the principal countries in the Postal Union—Russia, Servia, Turkey, and Montenegro are the only exceptions in Europe—but the number of coupons is small in comparison with the bulk of international correspondence. The figures relating to this country are given below:—

Year.	Issued in the United Kingdom and exchanged abroad.	Issued abroad and exchanged in the United Kingdom.
1908	31,660	54,071
1909	33,661	59,043
1910	Information not yet available	70,611

Suggestions are from time to time made that a coupon exchangeable for a penny stamp should be issued for use with the countries included in the Imperial Penny Postage system, for which the $2\frac{1}{2}d.$ coupon is not so useful. But the relatively small demand for the International Coupon (two of which will buy five penny stamps) does not give much prospect that a coupon exchangeable for a penny stamp would be a success, since it could not be sold for a less price than $1\frac{1}{2}d.$

Cash on Delivery.

A system for collecting from the recipient for remittance to the sender the value of articles sent by post is largely used in the inland services of the chief countries of the Continent of Europe, in India, Australia, and some other British Possessions, and also obtains in international relations. The facilities afforded by the system are appreciated by the public, not only in countries where the population is scattered, but also in densely populated areas.

The International system is based on the Mandat-Carte system of Money Order transactions, which has not been found suitable for adoption by the United Kingdom. The British Post Office, however, has long been willing to establish in the inland service a "Cash on Delivery" system, which is, in effect, only a consolidation of the Parcel Post and Money Order services; but, while the general public in the United Kingdom has not pressed for facilities of which it has never experienced the benefit, strong opposition has been organised by combinations of retail traders, who consider their interests to be threatened by the introduction of the system.

The present Earl of Derby, when Postmaster-General, announced on the 31st of October 1904 to a deputation from one of these combinations of retail traders that he would take no measures at that time to establish a "Cash on Delivery" system in the Inland Postal Service of the United Kingdom, but that in his opinion the time had come in the interests of British trade for the establishment of Cash on Delivery facilities in the postal services between the Mother Country and such other parts of the Empire as were prepared to adopt it.

Lord Cromer repeatedly represented to the Home Government that British trade with Egypt was suffering in consequence of the extension of the trade with France and Germany carried on by means of the postal "Cash on Delivery" service. For this reason Egypt was included in the scheme.

Accordingly, when the Treasury had approved the regulations for the service and a scale of charges for the remuneration of this office, drawn up by a Departmental Committee, the Governments of Egypt, India, and other British Possessions abroad were asked in July 1907 to participate in the service.

The Governments of Gibraltar, Malta, Cyprus, most of the West African and West Indian Colonies, Ceylon, Hong Kong, and the Straits Settlements consented; but the Government of India was not prepared to disregard the strong opposition of the trading community to the establishment of the proposed service; and the project of a Cash on Delivery service between the United Kingdom and India was abandoned. Newfoundland and the Australian Commonwealth have not expressed their views; but the Governments of Canada, the South African

Colonies and New Zealand have declined to participate—Canada and New Zealand on the ground that no inland Cash on Delivery system is in force in those Dominions, and the South African Colonies on the ground of opposition from Chambers of Commerce and lack of public demand.

The service was introduced with Malta, Cyprus, and the British agencies in the Mediterranean and with Egypt on the 1st of June 1908. It has since been extended to the Bahama Islands, Barbados, Bermuda, the Cayman Islands, the Fiji Islands, Gambia, Gibraltar, the Gold Coast (temporarily suspended), Grenada, Hong Kong, Jamaica, the Leeward Islands, the Nyasaland Protectorate, Southern Rhodesia, St. Lucia, St. Vincent, British Somaliland, Southern Nigeria, the Straits Settlements, Trinidad, the British Agencies at Casablanca, Mazagan, and Mogador in Morocco, the Seychelles and British Honduras.

The total number of Cash on Delivery packets treated in the United Kingdom during the twelve months ended 31st of March 1911 amounted in all to 48,870 despatched and 985 received, as against 29,380 despatched and 804 received during the 12 months ended the 31st of March 1910. The large increase seems to show that the service has been of use in fostering within the Empire a trade in small articles which can conveniently be sent by post.

Telegraphs.

The Telegraph Act of 1868 authorised the Postmaster-General to acquire the inland telegraphs of the United Kingdom.

These telegraphs were largely in the hands of three companies, the Electric and International, the British and Irish Magnetic and the United Kingdom Electric Telegraph Companies. A considerable amount of telegraph business was also transacted by the railway companies.

The service provided by the companies was in many ways unsatisfactory. The charges were high, varying, according to distance, from 1*s.* for 20 words to 2*s.* for 20 words in Great Britain, and to 6*s.* for 20 words between Great Britain and Ireland; additional charges being levied where a message had to pass over the system of two or more companies. Moreover, the systems were incomplete; the companies, for financial reasons, having restricted their operations as far as possible to the principal towns, and having avoided the smaller towns and villages and remote country districts. In the majority of towns provided with telegraphic communication, the office was situated at the railway station; whilst, in the largest towns, each company had an office at the business centre of the town, the outlying districts being almost entirely neglected.

Many of the circuits situated on the railways were used jointly for railway aud public telegraph business, necessarily causing delay to both services.

It was a natural result of these conditions that the use of the telegraphs was confined to a comparatively small section of the population; and it was with a view of popularising the service that its transfer to the State was decided on.

The Act of 1868, which authorised the transfer, determined the general principles on which the Postmaster-General was to compensate the telegraph and railway companies, in respect of plant acquired, of goodwill, and in the case of the railway companies, of wayleave over their systems. The settlement of the exact amount of compensation proved in many cases a matter of great difficulty and gave rise to a number of arbitrations, the last of which was not concluded until 1879.

The compensation paid for the telegraphs, together with the cost incurred in developing and completing them up to the 30th September 1873 (the companies had added very little to their systems for five years before the transfer), was charged to a capital account, which also bore the expense of commuting the pensions of the redundant staff of the companies.

The Capital Stock created finally reached the sum of 10,948,173*l*., and now stands at 10,867,644*l*. The total net expenditure of Capital out of the money thus raised was 10,129,687*l*. which may be roughly divided into 7,808,000*l*., paid to the companies (telegraph and railway), 2,132,000*l*. spent in extensions, and 190,000*l*. compensation for interests disturbed.

The cost of all extensions and improvements effected since 1873 has been charged to the annual votes.

Before the transfer was actually effected, it was found advisable to confer on the Postmaster-General the monopoly of telegraphic communication within the United Kingdom, in order to prevent companies being formed with a view to capture the more lucrative parts of the telegraph business (*e.g.*, Stock Exchange traffic)—and subsequently to force the Postmaster-General to buy them out. Such schemes were actually projected after the passing of the Act of 1868.

This monopoly was conferred by the Telegraph Act of 1869, which also authorised the raising of the first instalment of the purchase money. As a corollary to the monopoly, the Act laid on the Postmaster-General the obligation of purchasing the system of any company that might request him to do so (companies working abroad excepted). An exception from the monopoly was made in the case of telegrams transmitted by means of a circuit maintained for the private use of a corporation, company, or person. The Postmaster-General was given power to grant licences for the transmission of telegrams coming within his monopoly.

The actual transfer took place on the 28th of January 1870, and brought about an immediate amelioration of the service. In preparation for the transfer extensions were made to a number of places previously unserved, as well as to the suburbs of the larger towns and to the centres of the smaller towns formerly served from the railway stations; with the result that the Post Office was able to begin with about 1,000 postal telegraph offices and about 1,800 offices at railway stations where the railway companies dealt with telegrams as the agents of the Postmaster-General.

The charge was fixed at a uniform rate of 1*s.* per 20 words, the names and addresses of the sender and addressee being allowed to go free. This payment covered delivery within a mile of any telegraph office, or within the town postal delivery of any head office: outside those limits a charge was made of 6*d.* per double mile for porterage. The charge for press telegrams was fixed at a much lower rate, being 1*s.* for 100 words at night and for 75 words in the day time, with an additional charge of 2*d.* per 100 or 75 words for the transmission of the message to every additional address, wherever situated.

The system was rapidly extended during the two years following the transfer, about 2,200 additional offices being opened; and by the 31st March 1872 it comprised more than 5,000 offices (including those at railway stations), 22,000 miles of line with an aggregate of 83,000 miles of wire and more than 6,000 instruments.

The result was seen in a large expansion of business. In the first year after the transfer the number of telegrams of all descriptions rose from less than 7,000,000 to about 10,000,000, in the second it was about 12,000,000, and in the third (ending 31st March 1873) over 15,000,000, or more than double the number in 1869.

From 1872 to 1885 (the date of the introduction of the sixpenny tariff) the traffic steadily increased, the number of telegrams more than doubling itself. The number of new offices added was not large; but great improvements were made in the means of communication between places already connected.

In 1874 the Central Telegraph Office was removed from Telegraph Street to its present site in St. Martin's-le-Grand.

In 1876 distinctive stamps for the prepayment of telegraph messages were introduced, to facilitate account keeping; but they were discontinued in 1881, and the use of ordinary postage stamps resumed, as a supplementary measure to the discontinuance of special stamps for receipts.

In 1883 a resolution was proposed by Dr. Cameron in the House of Commons "that the time has arrived when the "minimum charge for inland postal telegrams should be reduced "to sixpence." The possibility of a reduction of the charge to 6*d.* had been foreseen by the Government at the time of the

transfer, and even earlier. Although the Government of 1883 did not consider that the time was ripe for such a reduction, which was estimated to entail a loss of revenue of at least 170,000*l.* a year, and a capital expenditure of 500,000*l.*, they decided to acquiesce in the decision of the House of Commons; and the necessary provision for the expected increase of traffic was at once set on foot. The expenditure was spread over three years, 180,000*l.* being spent in 1883–84, 165,000*l.* in 1884–85, and 105,000*l.* in 1885–86; all these sums being charged to the votes.

The actual reduction of charge was not made till the 1st October 1885, on which date the rate was fixed at its present amount of 6*d.* for 12 words and ½*d.* for each additional word, the free transmission of addresses being abolished.

The result of the reduction was a large immediate increase in the total number of telegrams (from 33,000,000 in 1884–85 to 50,000,000 in 1886–87); and a curtailment of their average length (the average charge being reduced from 1*s.* 1*d.* to 8*d.*). Local telegrams were especially affected by the reduction of rate, the number in London increasing from 1,800,000 to 3,800,000.

In 1892 attention was directed to the rapidly growing use by the railway companies of the privilege of sending free telegrams conferred by the Act of 1868. In 1891, 1,600,000 such telegrams had been sent, representing a value of over 80,000*l.* per annum. Negotiations were entered into with the companies for a commutation of this privilege into the right to send a fixed number of telegrams containing a fixed number of words per annum; with the final result that almost all the companies agreed to such a limitation. This action had the effect of substantially diminishing for the time the number of free telegrams, and of considerably restricting their rate of increase.

In 1892 free delivery was granted at night in the case of telegrams for outlying parts of large provincial towns which had to be delivered from the head office on account of the local branch office being closed.

In the same year the conditions under which telegraph extensions were guaranteed were made less onerous to the public by restricting the guarantee to the annual expenses of the new service. By an Act of 1891 rural sanitary authorities had been empowered to guarantee telegraph offices and to defray the cost out of the rates. The result of these changes was a considerable extension of the telegraph system in rural districts.

The Post Office reforms made in 1897, to celebrate the Diamond Jubilee of Queen Victoria, included the free delivery of telegrams for a distance of three miles from the office (with a charge of 3*d.* per mile from the office door for delivery beyond that distance); the free delivery of telegrams at all hours in

the Metropolitan District; and a reduction of the guarantee required for extensions from the whole to half of the annual cost.

These reforms resulted in a large augmentation of telegraph traffic, and in a considerable increase in the number of guaranteed offices.

On the 1st January 1906 the charge for the delivery of telegrams beyond the three-mile radius was reduced, the charge being fixed at 3*d.* per mile from the boundary of the free delivery area, instead of from the office door.

On the 30th April 1906, the guarantee required for extensions was reduced to one-third of the annual cost.

Growth of Service.

In 1899–1900 the total number of telegrams transmitted was over 90,000,000, or more than thirteen times the annual number at the time of the transfer. Up to this time the increase had been fairly continuous. From 1900 to 1907 the traffic remained practically stationary; but between 1907 and 1909 there was a considerable falling off, which was partly accounted for by an alteration in the manner of compiling the statistics, but mainly by the increasing use of the telephone for local communication. The figures for the year ending March 1910 rose again to nearly 87,000,000; but it remains to be seen whether the full effects of the competition of the telephone service have now been felt.

The growth of the telegraph service since 1870 is striking from other points of view than that of traffic. The number of offices has increased from 3,000 to more than 14,000. The system (including submarine cables) now consists of about 310,000 miles of wire as compared with 60,000 in 1870, whilst the number of telegraph instruments has increased from 4,000 to 29,000 (including 7,000 telephones used for telegraph purposes).

As regards technical improvements, the most striking is perhaps the increase in the working capacity of the wires effected since the transfer. In 1870 each wire afforded only a single channel for communication. By the introduction of duplex working in 1871 it was rendered possible to use a wire for the simultaneous transmission of two messages; quadruplex working (introduced in 1878) raised the number of simultaneous transmissions to four, and multiplex working (introduced in 1885) to six. Great advance has also been made in the speed of the Wheatstone automatic apparatus. In 1870 a speed of from 60 to 80 words per minute was the highest which could be attained, whereas at the present time a speed of 600 words per minute is possible, and a working speed of 400 words is the fixed standard for certain circuits. The duplex system has also been successfully applied to the automatic apparatus.

Many forms of apparatus worked by typewriter keyboards have recently been introduced and trial has been made of various automatic printing telegraphs. Mention may be made of the Kotyra and of the Yetman keyboard transmitters, of the Kotyra, Gell and Pollak keyboard perforators, and of the Baudot, Creed, Hughes, Murray-Automatic, Murray-Multiplex, Pollak-Virag, and Siemens printing systems. Some of these instruments and systems are still under trial.

Experiments have also been made in continuous Wheatstone working re-organised to meet the conditions resulting from the improvement of keyboard perforators and the introduction of Morse slip-gumming.

By this arrangement the traffic between large centres, which under key-working conditions required seven or eight wires, can be disposed of over two wires, and a great saving in wire maintenance costs is made possible and pole space is made available for telephone trunks.

Other improvements are the substitution of telephones for A.B.C. instruments on a large proportion of the minor circuits; the use of an arrangement (known as the Concentrator Switch) for reducing the number of operators and instruments required for working the circuits radiating from a given office; and the installation at the Central Telegraph Office of an "intercommunication switch," whereby the circuits serving different parts of London can be put into direct connection with each other, and the re-transmission of local telegrams at the central office avoided.

Considerable use is now made of pneumatic tubes for the transmission of telegrams between the Central Telegraph Office and branch offices in London, which were previously served by wire; and the same arrangement has been adopted to some extent in the provinces.

The practice of delivering telegrams by telephone is also being developed. This makes it possible to reduce the staff of boy messengers, besides accelerating the delivery of telegrams. The telephone may now also be used to send messages to a telegraph office for transmission thence as telegrams.

In the construction of the telegraph system difficulties of three kinds have been experienced:—

(I) Lines of overhead wires are found to be liable to severe damage from storms; and telegraphic communication with outlying parts, especially in the north, has on many occasions been completely interrupted. To overcome this difficulty a backbone system of underground lines has been planned. A triangle of such lines with the corners at London, Birmingham, and Bristol, and with extensions to Glasgow and Edinburgh, and to the landing-places of the telegraph cables—St. Margaret's Bay and Abbot's Cliff in the south-east and Porthcurno in the south-west—has

already been completed, with the exception of the section from Chatham eastwards. There is also an underground line from Liverpool to Leeds which crosses the main northern line at Warrington, and passes through Manchester. Its extension from Leeds to Newcastle and Hull is now in hand.

(II) Electrical interference from wires carrying power currents erected in the vicinity of telegraph lines. The Postmaster-General protects himself against this as far as possible by the insertion of clauses safeguarding his position in the Bills or Orders authorising electrical undertakings; but difficulties and disputes are frequently arising from this source.

(III) Wayleave difficulties.

The Postmaster-General acquired certain wayleave rights over public roads and streets from the Telegraph Act of 1863, which was incorporated with the Act of 1868. These rights were strengthened by the Telegraph Acts of 1878 and 1892 and 1908.

Numerous disputes as to the exact scope of these rights have arisen with public bodies having the control of the roads; and it has frequently been necessary to resort to arbitration.

The rapid development of the telephone service in suburban districts had tended to increase the number and acuteness of these disputes, owing to the reluctance of local bodies to allow the erection of overhead lines in residential roads.

The Telegraph Act of 1868 conferred on the Postmaster-General wayleave rights over a large portion of the railway systems of the country. By the Act of 1878 he acquired free wayleave over all railways authorised after 1st January 1878.

The earlier Act gave the railway companies the right to maintain the telegraph lines on their property; and a Bill is being promoted during the present session of Parliament with a view to overcome the difficulties which this arrangement causes where the lines touch railway property for a short distance only.

On private property the Postmaster-General has practically no wayleave rights except in the case of hedges and land by the side of public roads, over which certain rights were conferred by the Telegraph Act of 1908. By the same Act he acquired the right under certain conditions to lop trees obstructing a telepraph line along a road. Although landowners generally grant wayleave over their property on nominal terms, it not infrequently happens that the absence of statutory powers makes it necessary either to pay heavy rents or to carry the wires by a circuitous route or even to place them underground.

Private Wires.

In addition to the public telegraph service the Post Office has carried on since 1870 an extensive private wire business, which it inherited from the companies. Private telegraph (or

telephone) circuits are provided on rental terms, either between the premises of private individuals or between such premises and post offices. In the latter case the renters have the advantage of being in communication with the telegraph system of the country.

The original private wires were single wire circuits mostly fitted with Wheatstone's alphabetical apparatus and the rates charged were as follows:—

—	For Wire only.	
	Overhouse or Underground.	Road.
London - -	8*l.* per mile. -	6*l.*
Provinces - -	7*l.* per mile.	5*l.*

Under water, special rates according to circumstances.

The rental charged for apparatus was 6*l.* per set of A.B.C. or 3*l.* 10*s.* for maintenance of apparatus the property of the renter.

The Treasury stipulated that contracts should cover—

(*a*) Complete replacement of the capital outlay incurred within the currency of the contract, together with interest at 3½ per cent.

(*b*) Cost of maintenance and working expenses, including a charge for engineering staff, clerical work, and superintendence.

(*c*) A clear profit over and above (*a*) and (*b*).

All contracts had to receive the prior sanction of the Treasury before being entered into. Agreements were for three years.

Telephones were first used on private wires in 1877, but they did not come into very general use till 1881, when the introduction of double-wire circuits enabled the inductive disturbances from telegraph lines to be overcome.

The rates authorised for double-wire circuits were as follows:—

—	Wire only.		Apparatus.
	Overhouse and Underground.	Road.	
London -	12*l.* per mile	9*l.* per mile	Telephone, 4*l.* per annum.
Provinces	10*l.* 10*s.* per mile	8*l.* per mile	Maintenance of renter's own telephone, 2*l.* 10*s.* per annum.

The competition of the telephone companies and pressure from various commercial bodies resulted in a new scale of charges being introduced by the Department in 1886. The new rates were as follows :—

	Wire only.	
	Overhouse and Underground.	Road.
London - -	10*l.* per mile	8*l.* per mile.
Provinces - -	9*l.* per mile	7*l.* per mile.

The rates for apparatus were not altered. In 1891 the conditions of the contracts were somewhat modified. A distinction was made between stores and labour, and the Treasury agreed to allow such credit for stores at the end of a contract as might be considered fair. As the charge for maintenance covered renewals the Department allowed full value for all materials recovered.

In the same year a further reduction in the tariff was brought about by the following causes :—

(i) Reduction of rate of interest to 3 per cent.

(ii) Decreased cost of maintenance.

(iii) The expiry of the telephone patents, which enabled the Post Office to obtain and supply telephones at half the previous cost.

The modified rates were as follows :—

	London.		Provinces.	
	Single Wire.	Double Wire.	Single Wire.	Double Wire.
Overhouse or underground.	7*l.* per mile	9*l.* per mile	6*l.* per mile	8*l.* per mile.
Road - -	5*l.* per mile	7*l.* per mile	4*l.* per mile	6*l.* per mile.

Telephones 2*l.* 10*s.* per set ; A.B.C.'s 5*l.* per set.

Note.—The maintenance of apparatus the property of the renters was not undertaken after this date.

Rates were further reduced in 1897 to enable the Department to enter into competition with the National Telephone

Company, which had absorbed all the smaller undertakings. The rates fixed were :—

	London.		Provinces.	
	Single Wire.	Double Wire.	Single Wire.	Double Wire.
Overhouse or underground.	5*l.* per mile	7*l.* per mile	4*l.* per mile	6*l.* per mile.
Road - -	4*l.* per mile	6*l.* per mile	3*l.* per mile	5*l.* per mile.

Apparatus :—Telephones 2*l.* per set ; A.B.C.'s 4*l.* per set.

The period of agreements for private wires was increased to five years.

In 1898 the growth of the system caused the procedure of obtaining precedent Treasury authority for each contract to be too cumbersome, and the Treasury agreed that precedent authority need only be obtained in cases where the cost was 100*l.* or more. This was still further modified in 1903 by the Treasury agreeing that their precedent authority need only be sought in cases where a profit could not be shown after calculating interest at 5 per cent.

From time to time the Department has provided long private wires for cable companies, newspaper proprietors, stockbrokers and others. 1*l.* per mile above the ordinary tariff rates was at first charged for these wires, except in the case of cable companies, which were charged 5*l.* per mile.

The crowded state of the routes between the chief towns and the heavy cost involved in the opening up of new routes led to the introduction of an increased tariff for long wires in 1904 as follows :—

	Wires above 50 miles in length.	
	Single Wire.	Double Wire.
London and Provinces.		
Underground and overhouse - -	7*l.* per mile -	12*l.* per mile.
Road - - - - -	5*l.* per mile -	9*l.* per mile.
Wires from 25 to 50 miles in length.		
Underground and overhouse - -	6*l.* per mile -	8*l.* per mile.
Road - - - - -	5*l.* per mile -	7*l.* per mile.

Old renters were allowed a reduction 2*l.* per mile in the case of double wires and 1*l.* per mile in the case of single wires on the above rates.

The Post Office also supplies fire alarm systems for various public bodies (*e.g.*, the London County Council), water level apparatus for various local bodies and water companies, and undertakes the transmission of the Greenwich Time Signal (hourly in London and at 10 a.m. or 1 p.m. in the provinces) at special rates.

It also undertakes the supply of wires only in connection with the patent automatic fire alarm systems (such as the Pearson System); clock control wires for large firms of clock-makers who undertake the synchronization of clocks; and also wires in connection with Telewriter services.

The growth of the Post Office private wire system is shown by the following figures:—

The number of contracts taken over from the companies in 1869 was about 700, with a rental value of 20,000*l.* a year. In 1880–81 there were nearly 2,000 contracts with an aggregate rental of 74,000*l.* a year; in 1890–91, 3,700 contracts, rental 139,000*l.* a year; and in 1900–1, 4,500 contracts of a rental value of 155,000*l.* a year. These figures include also revenue from telephone exchange lines. In 1905, owing to the growth of the telephone exchange system, the private wire statistics and statistics of exchange telephones were separated. The Department's private wire business has greatly increased during the past 10 years, as shown by the following figures:—

31st March 1900, 2,788 contracts with a rental value of 126,132*l.*

31st March 1910, 4,610 contracts with a rental value of 204,278*l.*

The growth of the Department's system is all the more noteworthy seeing that it has come about in spite of a decision that the Department should not canvass for private wires.

On the other hand, especially in recent years, the National Telephone Company have vigorously pushed their private wire business, on which they are in 1912 to receive payment for goodwill.

Telegraph Finance.

It remains to say a few words on the financial aspect of the telegraph service.

As above stated, the initial cost of acquiring the telegraphs and the cost of extensions paid for before 30th September 1873 were charged to a capital account (amounting finally to 10,948,173*l.*). No further capital has been raised for purely telegraph purposes; all expenditure since 1873, even when properly speaking of a capital nature, has been annually voted by Parliament.

An account is presented to Parliament each year of the revenue and expenditure of the telegraph service, in which the telephone and private wire services are included. The working expenses which can be definitely earmarked are charged to the

service direct; but the expenditure on staff and buildings which cannot be earmarked is allocated to the several services in proportions which are periodically reviewed. When this system was introduced in 1901 the proportion for telegraphs and telephones was fixed at 25 per cent.; but it was reduced in 1907–8 to 23 per cent., and 1908–9 onwards the telephones have been treated as a separate service. For the year 1910–11 19¾ per cent. is allocated to the telegraphs and 3¼ per cent. to the telephones.

At no time has the revenue from the telegraph service been sufficient to pay the interest on the capital; and for the last twenty years the service has been carried on at a considerable loss. In the first place it is now believed that the terms of the purchase were unduly favourable to the Companies, and the revenue has throughout been detrimentally affected by the low tariff granted to the Press under the Act of 1868, entailing an annual loss of about 225,000*l.*, and by the privilege of sending free messages conferred on railway companies by the same Act. Even under the commutation arrangement referred to above about a million and a quarter such telegrams are sent yearly—a loss of about 50,000*l.*

In spite of these drawbacks, from the time of the transfer until the introduction of the sixpenny tariff there was each year a balance of revenue over expenditure available towards meeting the interest on the stock created for the purchase of the telegraphs. In the first year this balance amounted to 261,925*l.*; and although salaries and wages rose between 1870 and 1875 from 39 per cent. to 52 per cent. of the revenue, the pay of the companies' servants having been kept low in view of the transfer, and all capital expenses were charged to the working account after 1873, the balance had increased by 1881 to 325,433*l.*—within a thousand pounds of the interest due on the stock.

This state of affairs, however, was completely altered by the introduction of sixpenny telegrams, which involved an expenditure of 450,000*l.*, and by the Fawcett revision of wages in 1885, entailing a further annual charge estimated at 129,000*l.* At about the same time too the competition of the telephone began to be felt, and the revenue failed to meet expenses during each of the five years 1884–8. The next three years showed a small balance on the right side, but the Raikes revision of wages in 1891 brought an increased charge of 87,000*l.*, and in 1892–3 the unremunerative coast-communication service for saving life at sea was started at the cost of the telegraph service. From 1892 onwards the balance-sheet has regularly shown a deficit, which has been successively increased by the Tweedmouth (1897), Stanley (1905), and Parliamentary Committee (1908) revisions of wages bringing respectively increased annual charges of 82,000*l.*, 95,000*l.* and 210,000*l.*; by the Jubilee reforms, estimated to cost 57,000*l.* a year, but actually

costing 92,000*l.* within four years of their introduction; by the further reforms of 1906 involving a loss of 7,000*l.*, and by the continued extension of the underground system at a cost of 1,500*l.* a mile. About two millions sterling has already been spent on this work.

The largest deficit hitherto recorded occurred in 1903–4, when it amounted to 957,782*l.* In 1909–10 it was 858,314*l.*, or 1,130,005*l.* including the interest on stock.

Foreign Telegraphs.

At the time of the transfer of the telegraphs to the State in 1870, the submarine cables to the Continent, and the few long-distance cables then in existence (together with the land wires connected with them), were for the most part in the hands of a different group of Companies from those owning the inland telegraphs.

The systems of the Cable Companies were not then acquired by the Postmaster-General, with the exception of two cables to Holland and one to Germany which were leased to the Submarine Telegraph Company; and foreign telegrams were expressly excluded from his monopoly.

The relations of the Postmaster-General with the Cable Companies were from the first, however, of a close nature; as he was bound under the Telegraph Act of 1869 to afford them facilities for the transmission of their telegrams throughout the United Kingdom. The facilities afforded were:—

(1) The provision, on rental terms, of wires connecting the landing-places of the cables with various important towns; and

(2) The collection and delivery of the Company's telegrams throughout the United Kingdom in return for suitable remuneration.

For many years these connecting wires were overhead, but of late years the Cable Companies, who still own the majority of the long-distance cables, have in most cases rented underground wires for the more important lines of communication.

Under the agreements made between the Postmaster-General and the Companies relative to these facilities, a measure of control over the Companies' actions was acquired; but a more effective control was secured to the State through the power possessed by the Board of Trade to prohibit the landing of cables on the foreshore of the United Kingdom. This power is now exercised on the advice of a Committee representing the Government Departments interested in cable questions.

In 1889 the concessions of the Submarine Telegraph Company, which worked the cables between Great Britain and France, Germany, Holland, and Belgium, expired; and the Governments concerned made use of the opportunity thus afforded to take over the cables and establish an international Government service. The amount paid by the Post Office to

the Submarine Company for the transfer of the cables was 67,163*l*. Since that date four new cables (three telephone and one partly telegraph and partly telephone) have been laid to France, three new cables (telegraph) have been laid to Germany, one new cable (telegraph) has been laid to Holland, and one new cable (telephone) has been laid to Belgium. The cost of providing and laying these cables has amounted approximately to 374,000*l*.

At the end of 1910, on the expiry of the Great Northern Telegraph Company's concessions for working the Anglo-Norwegian telegraph service, the service was taken over by the British and Norwegian Governments. The Company's old cable was purchased at a cost of 9,500*l*., and a new cable was laid at a cost of 72,626*l*., the expense being borne jointly by the two Governments.

Apart from the cables to France, Germany, Holland, Belgium and Norway, and with the further exception of the Pacific cable mentioned below, the British Government has not adopted the policy of laying or purchasing cables. When cables have been required for strategic reasons, it has subsidised private companies; and when reductions of rates or other concessions are desired, it has always been open to the Government to make use of the powers of the Board of Trade over the landing of cables as a lever in negotiations. This principle was reaffirmed by the Royal Commission appointed in 1902, under the presidency of Lord Balfour of Burleigh, to consider the cable communications of the Empire. In 1901–2 the Government departed from its usual policy, and, mainly at the instance of Canada, joined with that Dominion and some of the Australasian Colonies in laying a cable across the Pacific from Vancouver to Australia and New Zealand.

The subsidies granted to Cable Companies are as follows :—

Name of Company.	Amount of Subsidy.	Period of Subsidy.	Cables for which Subsidy granted.
	£		
Eastern Telegraph Company.	4,500	20 years from 24 April 1901.	Sierra Leone—Ascension.
Eastern and South African Telegraph Company.	28,000*	20 years from November 1893.	Zanzibar—Seychelles—Mauritius.
	13,500†	20 years from 1 January 1900.	Three South African cables.
Eastern Extension Company.	4,000	Indefinite	Chefoo—Weihaiwei.
Direct West India Company.	8,000	20 years from 1 February 1898.	Bermuda—Jamaica.

* 8,000*l*. is repaid by the Colonies served by the cable.

† 9,125*l*. is repaid by the South African Colonies and the British South Africa Company. The subsidy is only payable when the Company's South African traffic is of less value than 300,000*l*. a year. When the value is between 300,000*l*. and 327,000*l*. the amount is reduced proportionately. When the traffic amounts to 327,000*l*. or more, no subsidy is payable.

After the transfer of the inland telegraphs to the State, the British Government joined the International Telegraph Union, and was a party to the Convention of St. Petersburg (1875), which laid down the fundamental principles which should regulate international telegraphy, and which has remained unaltered since. Conferences of the Telegraph Administrations of the States of the Union are held every five years to consider the modifications required in the detailed regulations annexed to the Convention, and to arrange reductions of tariff.

The rates on international telegrams have been very largely reduced during the past 25 years, as is shown by the following comparison :—

Rate per Word between England and	In 1880.	In 1911.
South Africa	9*s.* 3*d.*	2*s.* 6*d.*
India	4*s.* 7*d.* and 4*s.* 10*d.*	2*s.*
Australia	10*s.* 8*d.* and 10*s.* 10*d.*	3*s.*
North America (Eastern border).	3*s.*	1*s.*
China	8*s.* 4*d.*	4*s.* 5*d.* and 4*s.* 7*d.*
Argentine Republic	16*s.* 4*d.* and 16*s.* 9*d.*	3*s.* 7*d.*
France	2½*d.*	2*d.*
Germany	4*d.*	2*d.*
Russia in Europe	9½*d.*	4½*d.*
Austria-Hungary	4½*d.*	2½*d.*
Spain	6*d.*	3*d.*
Norway	4*d.*	2½*d.*

The Government circuits between this country and the Continent are mostly terminated in London; but two Anglo-French and two Anglo-German circuits and one Anglo-Belgian circuit have been extended to Liverpool. The other ends of the circuits are more widely distributed, a number of the principal Continental towns being in direct communication with London.

The Hughes typewriting apparatus has from the first been used on the Anglo-Continental circuits. Of recent years a faster form of apparatus, the Baudot, has been introduced with great success on the lines between London and Paris, Amsterdam, Marseilles and Zurich.

The Coast Communication System.

The association of the Telegraph with the Life-Saving Stations around the coasts of the United Kingdom dates back to 1884, when the Telegraph Construction and Maintenance Company, acting under agreement with Trinity House, laid a submarine cable between the Sunk Lightship and Walton-on-Naze Post Office. The experiment was successful from an electrical point of view, but was very costly, and in consequence

of the unfavourable report issued by a Committee appointed by the Board of Trade in 1887 to consider the question of electrical communication between Light Vessels and Outlying Lighthouses and the shore, it was discontinued.

A later Committee on coast communications appointed by the Board of Trade in 1889 had in view rather the question of National Defence and the transmission of Commercial Intelligence than that of Saving Life at sea, and in respect of this last matter effected little.

The Coast Communication System as it exists to-day is the outcome of an agitation carried on by a few private persons, by Chambers of Commerce, and by the Press for the provision of means for enabling Lighthouse Keepers, Coast Guards, and others having special observation facilities to communicate with Life-Boat and Life-Saving Apparatus Stations in cases of shipwreck. The original idea was the erection of an independent line of telegraph along the Coast Guard path, but the expense was prohibitive. Sir Edward Birkbeck, M.P., however, pressed upon the attention of the House of Commons the necessity for adopting some measure of the kind, and on the 29th March 1892 he formulated his coast service proposals and obtained an assurance of the sympathy of the Government. Later, on the 26th April, he moved and carried the following resolution :—

"That with the view to the better prevention of loss of life and property in cases of vessels in distress or shipwrecked on the coast of the United Kingdom and to give the earliest possible information to Lifeboat Authorities and rocket apparatus Stations, in the opinion of this House it is desirable that all Coast Guard Stations on the sea coast and signal stations should be Telephonically or Telegraphically connected by Government and that on those parts of the Coast where such stations do not exist the Post Offices nearest to the Lifeboat Stations be telephonically or telegraphically connected; and that a Royal Commission be appointed to inquire as to the desirability of connecting certain Light Vessels and rock lighthouses by cable with the mainland in order to give information of vessels in distress."

Parliament having authorised the Postmaster-General to proceed with the provision of the most needed connections, the consent of the Admiralty was obtained to the installation of telephonic apparatus in Coast Guard Stations, and the extensions indicated by the Royal National Life-Boat Institution as the most pressing were undertaken.

In arriving at an efficient and economical solution of the problem the Post Office recognised that it would be a waste of money to extend the Telegraph to Coast Guard Stations so situated as to be of little use for the observation of shipwrecks, and to others which were too far from a Lifeboat or Life Saving Apparatus Station to be of use in summoning aid. On the

other hand a large number of Coast Guard Stations which had good positions for observation were connected up with Life Saving Stations direct, and where practicable the public telegraph system was utilised, call bells being provided in the bedrooms of Postmasters and others to admit of attention being gained during the night when there were messages on life saving service. Thus by a gradual process of grouping up Coast Guard Stations, Lighthouses, Lifeboat Stations, &c., and a judicious use of the existing Post Office telegraphs, the wishes of Parliament were carried out at a small expenditure in comparison with the cost that would have attended the construction of a continuous coast telegraph line. The original estimated cost of the scheme was 70,000*l.* and the amount actually expended up to the 31st December 1910 is 75,325*l.*

The Royal Commission asked for in the resolution quoted above was appointed in 1892 to inquire what Lighthouses and Light Vessels it was desirable to connect with the telegraphic system of the United Kingdom. The Post Office was represented on this Commission *inter alios* by Mr. (now Sir John) Lamb, by whom the foregoing scheme of Coast Communication was formulated. The Commission visited sections of the coast line of Great Britain and Ireland, published five reports, and recommended that 11 Lightships, 11 Outlying Lighthouses, and 50 Shore Lighthouses should be electrically connected with the shore. These extensions were carried out concurrently with the Coast Communication Scheme, the expense of the connections to Light Vessels and the outlying Lighthouses being met out of funds provided by the Board of Trade. The cost of connecting up Shore Lighthouses, due to the Royal Commission's scheme, was, however, charged to the Post Office Vote and is included in the above-mentioned sum of 75,325*l.*

The advent of Wireless Telegraphy promises greatly to enhance the efficiency of the coast communication service. The Post Office Radiotelegraph Shore Stations have continuous communication with the telegraph system of the country and form additional points of observation, while this new application of electrical science has gone far to solve the difficulty of maintaining efficient electrical communication with Light Vessels in cases where cables cannot be maintained.

Before the discovery of the Hertzian wave, experiments were carried out by the Engineer-in-Chief with the object of effecting electrical communication across space, *e.g.*, between Lightships and Rock Lighthouses and the shore, without conjunction other than earth, and as an outcome a wireless telephone service (inductive) has been established between Cemlyn, Anglesea, and the Skerries Lighthouse for life-saving purposes.

The development of the Trunk Telephone system and the substitution of telephone for telegraph apparatus on many Post Office circuits have afforded additional facilities for linking up Life Saving-Stations for night and Sunday service. In the

last three or four years upwards of 25 Telephone Trunk and Junction lines have been associated with the system, with the best results, and several schemes for improving local intercommunication on various parts of the coast now under consideration depend for their success upon the use of Trunk Telephone lines and of Telephone Exchanges.

Wireless Telegraphy.

The possibility of transmitting signals from one point to another by electric impulses without connecting wires has attracted attention since the early days of telegraphy.

Communication was actually established between Crookhaven Post Office and the Fastnet Lighthouse in 1895 on a system of non-continuous cable introduced by Mr. Willoughby Smith. Two wires were suitably earthed, and the current changes on the one were indicated on the other. In the same year wireless telegraphy by electro-magnetic induction was used by the Post Office during a temporary breakdown of the cable between Mull and the mainland. In 1898 it was established in the Bristol Channel between Flatholm Island and Lavernock Point, and in 1900 between Rathlin Island and the mainland, and between Anglesey and the Skerries. In the latter case, speech was transmitted and received by telephone. The distances in all these cases were, of course, short. Many systems for longer distances also were tried in these years, but were found to be subject to various drawbacks.

In the summer of 1896, Mr. Marconi, who had been experimenting in Italy with wireless telegraphy by Hertzian waves, came to England and was introduced to Sir William (then Mr.) Preece, Engineer-in-Chief and Electrician to the Post Office. The Post Office provided Mr. Marconi with facilities for laboratory experiments and for trials on Salisbury Plain, between Lavernock and Flatholm, and at Brean Down, and in May 1897 carried out, under his supervision, the crucial trials across the Bristol Channel, which demonstrated the practicability of his system. In July 1897, his patent rights were acquired by an English company, and his connection with the Post Office ceased.

The operations of the Marconi Company gradually extended. In July 1898, at Kingstown Regatta, radiotelegrams (to use the term now in use) were sent by their system to the Dublin "Daily Express" from a vessel following the racing yachts. Seagoing ships were fitted with wireless telegraph apparatus, and communicated with each other and with newly established coast stations, and near the end of 1901 signals were transmitted across the Atlantic from Poldhu in Cornwall.

The Post Office, in conjunction with other Departments of State, was involved in negotiations extending over some years with the original Marconi Company and a second company that had been established.

Questions at issue were : the use of the Marconi patent by the Government, especially by the Navy : the maintenance of the Postmaster-General's monopoly and the grant of a licence to the companies : the grant of a private wire to Poldhu : the acceptance by the Post Office, as agent, of telegrams for wireless transmission from the Marconi coast stations : the position of Lloyd's in connection with maritime signalling, and Lloyd's relations with the Admiralty and the Marconi Companies. It was further necessary to consider the question of regulating wireless telegraphy by legislation and by international convention in view of difficulties likely to arise from mutual interference of stations and from a refusal of intercommunication between competing systems, the Marconi Companies being now faced by competitors.

An agreement between Lloyd's and the Marconi Companies was made in September 1901 relating to the use of wireless telegraphy at Lloyd's signal stations.

Early in 1903 a private wire to Poldhu was provided by the Post Office for the Marconi Company.

In August 1903 a preliminary Conference on Wireless Telegraphy met at Berlin, this country being represented by delegates from the Post Office, Admiralty and War Office. The principal recommendations of the Conference were :—

(1) That shore stations fitted with wireless apparatus should be bound to exchange messages with ships at sea without regard to the system of wireless telegraphy employed by the latter.

(2) That the rate of charge for each shore station should be subject to the approval of the State on whose territory the station is erected and the rate for each ship to the approval of the State whose flag it carries.

(3) That the working of the wireless stations should be organised as far as possible in such a way as not to interfere with that of other stations.

The British delegates did not commit themselves to the recommendations, which, however, they helped to shape, and they signed the report under a general reservation.

In order to secure that control of wireless telegraphy which was now seen to be necessary, Parliament passed in 1904 the Wireless Telegraphy Act, rendering it illegal for any person to instal or work wireless telegraph apparatus in the United Kingdom or on board British ships in territorial waters, except with the licence of the Postmaster-General.

At the same time the Postmaster-General and the Marconi Companies signed Heads of Agreement dealing for terms of years with the collection, transmission and delivery by the Post Office of the Companies' messages to and from North America and Newfoundland, and of ship and shore messages, and with the observance by the Companies of certain conditions and regulations.

The Companies also undertook *inter alia* to observe provisions of any International Convention based upon stipulations of the Protocol of the Berlin Conference, and in particular undertook "if required by the Government in relation to Shore "Stations in the United Kingdom and ships equipped with "Marconi apparatus for ship and shore messages, to accept "(without prejudice to their patent rights) the obligation to "interchange messages with ship and shore stations in the "United Kingdom respectively equipped with other apparatus."

After the passing of the Act, numerous applications for licences were made to the Post Office; none were granted for commercial communication with the United Kingdom, but otherwise, subject to the paramount interests of Naval signalling, licences were granted for both experimental and commercial purposes so far as this could be done without mutual interference.

The Marconi Company, however, secured—as the Select Committee of Parliament afterwards observed—what amounted to something approaching a monopoly in respect of Great Britain, Italy and Canada. As regards Great Britain, the position was due to the fact that for various reasons and pending the settlement of the policy to be finally adopted, the Postmaster-General refrained from issuing licences for competing stations on the South Coast of England and Ireland.

On the 1st January 1905 the Post Office began to collect and deliver "ship and shore" telegrams for the Marconi Company. The Company charged 6*d*. a word with a minimum of 6*s*. and the Post Office charged the ordinary inland rate of a halfpenny a word with a minimum of 6*d*. In March of the same year wireless telegraphy between the Admiralty station at Scilly and the Marconi station at Poldhu maintained communication during a breakdown of the cable. In later years communication by wireless telegraphy has been maintained both with Scilly and the Channel Islands when the cables have broken down.

The number of outward "ship and shore" messages during the year 1905–6 was 558 and the number of inward messages was 11,094.

In October and November 1906 an International Conference on Wireless Telegraphy sat at Berlin and drew up an International Radiotelegraphic Convention. This Convention, based substantially on the deliberations of the preliminary Conference of 1903, was to place commercial communication between shore stations and ships at sea on an International basis, affording a guarantee for the exchange of messages at reasonable rates between ships and the shore, so far as material circumstances admit, without regard either to nationality or to the system employed; and for the acceptance, transmission and delivery of such messages by means of the ordinary telegraph systems of the contracting countries.

Detailed regulations were made for the prevention of interference and confusion. A right was given to Governments to exempt from the obligation of general intercommunication any station which they might think fit, on condition that some other station should be open for general intercommunication in the same region. The Convention does not apply to naval or military stations or to commercial stations which are not open for communication with ships, except that all stations must carry on operations so far as possible without interference and must accept messages from ships in distress. Certain Governments —of which the British was not one—agreed to an additional article enforcing intercommunication between all ship stations.

In the year 1906–7 the number of outward ship and shore messages was 1,140, and the number of inward messages 15,853.

In the same year the Post Office set up its first radiotelegraphic stations, at Tobermory and Lochboisdale, Hunstanton and Skegness: the first pair worked on the Marconi and the second pair on the de Forest system. They were for ordinary inland traffic and carried it satisfactorily.

In 1907 a Select Committee of the House of Commons considered the Radiotelegraphic Convention and the subject of wireless telegraphy generally, and recommended the ratification of the Convention. It was ratified by the Government accordingly. The Marconi Company, who had previously opposed it, then decided to co-operate with the Government in giving effect to the Convention and the Regulations. Under the Convention it became possible for telegrams to be forwarded, with the charges prepaid, from foreign countries and British Colonies for transmission to ships through the Marconi and other stations open for public traffic in this country and from this country for transmission through any foreign or colonial stations so open.

The total number of outward telegrams dealt with in 1907–8 was 1,725 and of inward telegrams 20,067.

In the year 1908–9 the Post Office opened a coast station at Bolt Head, and licensed three coast stations (other than Marconi stations) for public correspondence with ships, viz., a station at Cullercoats erected by the Amalgamated Radiotelegraph Company, a station at Heysham Harbour erected by the Midland Railway Company for communication with their Douglas and Belfast Packets, and a station at Parkeston Quay erected by the Great Eastern Railway Company for communication with their Hook of Holland and Antwerp Packets. The Marconi Company also received a licence for a station at Clifden for trans-Atlantic wireless telegraphy. The traffic (commercial and press) was forwarded to and from Clifden as inland telegrams.

The number of outward ship and shore messages in 1908–9 was 1,817 and of inward messages 22,732.

During the year 1909–10 the Post Office acquired from the Marconi Companies and Lloyd's their coast stations in the United Kingdom open for commercial communication with ships. The stations were as follows :—

Caister (Norfolk).	Seaforth (Liverpool).
North Foreland (Kent).	Rosslare (Wexford).
Niton (Isle of Wight).	Crookhaven (Kerry).
Lizard (Cornwall).	Malin Head (Donegal).

The sums paid to the Companies and to Lloyds were 15,000*l.* and 2,400*l.* respectively. The former amount covered, in addition to the stations in actual operation, certain plant at other stations, the working of which was suspended, together with the right to use, free of royalty, the existing Marconi patents and any future patents or improvements, for a term of 14 years, for communication for all purposes between stations in the United Kingdom and ships, and between stations on the mainland of Great Britain and Ireland on the one hand, and outlying islands on the other hand or between any two outlying islands ; on board Post Office cable ships and (except for the transmission of public telegrams) between any two stations on the mainland. The stations remained open under the International Radiotelegraphic Convention for communication with all ships equipped with any system of wireless telegraphy, and the Post Office was free to use or to experiment with any system of wireless telegraphy at its discretion.

The Marconi Company retained its licence for its long distance stations at Poldhu and Clifden ; the former is chiefly used for communication with ships, for Press and commercial purposes, when they are outside the range of the Post Office coast stations. Lloyd's retained its stations for commercial working at Inistrahull and the Fastnet, which are licensed to work to the Post Office station at Malin Head and Crookhaven respectively.

In connection with the purchase of the short-distance stations by the Post Office, the Marconi Companies and Lloyd's arranged to cancel the agreement between themselves which was made in 1901.

The number of radiotelegrams dealt with during 1909–10 at the stations which are now in the hands of the Post Office was as follows :—Outward radiotelegrams to ships, 3,266 ; inward radiotelegrams from ships, 27,727.

In October 1910 the Post Office opened communication by radiotelegraphy (Marconi system) between the Post Offices at Sanday and North Ronaldshay for ordinary telegraphic business.

The impossibility at present of providing any reliable "calling" arrangement limits the use of wireless telegraphy for connecting outlying points.

The following table shows the total number of licences for land stations in existence at the end of 1910 :—

——	No. of Licences.	No. of Stations.
Commercial - - - - - -	5*	7*
Private business (including lightships, which, however, do a certain limited amount of commercial work).	8	14
Experimental - - - -	164	242
Minor cases (experimental) in which permission has been given by letter.	96	—

* *Commercial Licences :—*

Marconi Company - -	Poldhu.
	Clifden.
Lloyd's - - - -	Inistrahull.
	Fastnet Rock.
Midland Railway Company -	Heysham.
Great Eastern Railway Company	Parkeston Quay.
Amalgamated Radiotelegraph Company (in liquidation.)	Cullercoats (provisional permission).

Up to the end of 1910 licences had also been granted to shipowners covering 190 ships. The majority of these are Atlantic liners, but a considerable number of other vessels, notably Railway Companies' Packets and vessels trading to South America and to the East, had also been equipped.

Telephones.

The Postmaster-General's position in relation to telephones arises out of the possession by him of the Telegraph monopoly. This was conferred by section 4 of the Telegraph Act, 1869, in the following terms :—

> "The Postmaster-General by himself or his deputies and his and their respective servants and agents shall have the exclusive privilege of transmitting telegrams within the United Kingdom of Great Britain and Ireland, except as hereinafter provided ; and shall also within that kingdom have the exclusive privilege of performing all the incidental services of receiving, collecting, or delivering telegrams, except as hereinafter provided."

The telephone was first introduced into the United Kingdom in September 1876, when Sir William Thompson exhibited Professor Graham Bell's telephone at the meeting of the British Association at Glasgow.

The invention at once attracted the attention of Mr. Preece, Chief Electrician of the Post Office, who in September 1877 recommended that the Department should secure the right to

use and manufacture telephones. The idea then was that the telephone might be used to some extent on private wires instead of Wheatstone A.B.C. instruments.

In February 1878 the Post Office proposed to the Treasury that it should be allowed to hire sets of telephone from the inventor and supply them at a profit to private wire renters. This arrangement was sanctioned by the Treasury on August 7th, 1878.

In the meantime the Telephone Company, Limited, had been registered in June 1878 for the purpose of acquiring and working Bell's patent.

In August 1879 the Edison Telephone Company of London, Limited, was registered; and other similar companies sprang up in other parts of the country. On the 3rd June 1880 the two London companies amalgamated under the title of the United Telephone Company of London.

At the end of 1879 the companies were preparing to open telephone exchanges in London and other places, and a serious competition with the telegraph service was in prospect. The advisers of the Government held that telephonic communications were telegrams within the meaning of the Telegraph Acts, and so fell within the monopoly conferred upon the Postmaster-General by section 4 of the Telegraph Act of 1869 above quoted. But, regarding the matter as still in the experimental stage, the Government offered to allow the telephone companies to work under a licence subject to the payment of royalty and a restriction of the areas of communication. This proposal was refused; and a lawsuit followed, judgment being given on the 20th December 1880 to the effect that a telephone is a telegraph and a conversation by telephone is a telegram within the meaning of the Telegraph Acts.

From this time telephonic communications between two independent persons have been illegal without the licence of the Postmaster-General.

In anticipation of a favourable result of the lawsuit the Postmaster-General (Mr. Fawcett) applied to the Treasury on the 13th December 1880, proposing not only to proceed with negotiations for licensing the existing companies, but also to establish Post Office Exchanges "in a wide and comprehensive manner" throughout the country. The Treasury, however, fearing the expenditure involved, authorised the establishment of telephone exchanges by the Post Office only to such limited extent as would enable the Postmaster-General to negotiate with the companies in a satisfactory manner for licences.

In certain towns, such as Newcastle-on-Tyne, Hull, Bradford, and Middlesborough, the Post Office had taken over, at the transfer of the telegraphs to the State, systems of telegraphic intercommunication similar to the telephone exchange system; and these, with the substitution of telephones for A.B.C. instruments, became the first Post Office telephone exchanges.

"Free Trade" in Telephones.

As regards the licensing of companies to undertake telephone business, it was agreed that the companies should pay to the Post Office a royalty of 10 per cent. of their gross income, and that the licences should be for 31 years from the end of 1880, the right being reserved to the Department to purchase the exchange system at the end of the 10th, 17th, or 24th year.

In London the United Telephone Company were to be allowed to conduct operations within a radius of five miles from a central point, the Post Office abandoning the idea of establishing a competing system.

In the country the Post Office adopted the policy of granting licences for towns where an exchange system had already been established (even where there was a competing Departmental system) and also for towns where no system had yet been set up, and where the Department had no intention of supplying a service. The intention was to keep in the hands of the Post Office the construction of trunk lines connecting the different local exchanges; and also to reserve important parts of the country for Post Office Exchange operations.

But serious questions arose as to the granting of licences; and in July 1882 the Postmaster-General decided, "on the ground that it would not be in the interest of the public to create a monopoly in relation to the supply of telephonic communication," to grant licences to all responsible persons who applied for them, even in places where a Post Office system was in operation.

On the other hand the Treasury placed on the Post Office severe restrictions as to the extension of its telephone system, and even as to the maintenance of its existing exchanges, which in the circumstances could not maintain their position in the face of the active competition of the principal telephone companies. Those companies had, moreover, the great advantage of holding the patents for the telephone instrument.

Complaints arising as to the restriction of exchange areas to a radius of five miles, Mr. Fawcett decided in August 1884 to withdraw the restriction. The companies got licences to work anywhere within the United Kingdom, and were thus enabled to create exchange areas of any extent and to connect exchanges by trunk wires. They were allowed on terms to open call offices and to connect their exchanges with post offices, for the purpose of sending and delivering telegrams. Their only remaining grievances were (1) the 10 per cent. royalty and (2) the refusal of the Postmaster-General to delegate to them freely his wayleave rights.

On the 30th April 1889 the three principal telephone companies, the United, the National, and the Lancashire and Cheshire, amalgamated under the title of the National Telephone Company. By its control of the telephone patents, and by buying up rival companies or beating them out of the field,

the Company gradually got into its hand almost the whole of the telephone service of the country.

The two master patents lapsed in December 1890 and July 1891 respectively; and effective competition with the National Company then became possible.

A New Policy.

The telegraph revenue was by that time showing signs of the competition of the telephone, there was considerable public dissatisfaction with the company's service and with the accumulation of their overhead wires in towns, and wayleave difficulties were arising all over the country in connection with the construction of the company's lines. In view of these facts, the policy of the Government was reconsidered; and on the 22nd March 1892 the Postmaster-General (Sir James Fergusson) announced that the Government proposed to purchase the trunk lines of the National Company, whose operations would thenceforth be confined to local areas. The Post Office would extend and develop the trunk system, as it alone could do efficiently, seeing that it possessed statutory wayleave powers, whereas the Company had none. Additional facilities would be given to telephone companies in connecting their exchanges with post offices for telegram and express services, and for the establishment of call offices in post offices. The charge for allowing the companies to construct their lines on and over railways, where the Postmaster-General had exclusive wayleave rights, would be reduced to a nominal sum.

It was further decided to grant no more licences for the whole country, and only to consider an application for a particular town when supported by the local municipal authority.

The proposed future policy of the Government was embodied in a Treasury minute, dated the 23rd May 1892; and a Bill for raising the sum of 1,000,000*l.* for the purchase and extension of the trunk wire system was laid before Parliament. The Bill was considered by a Select Committee and became law on the 28th June 1892.

Heads of arrangement between the Postmaster-General and the National Telephone Company, providing for the sale of the trunk lines to the Post Office and for the carrying out in other respects of the Government policy were signed on the 11th August 1892; but the detailed Agreement on the subject was not signed until the 25th March 1896. The delay was chiefly due to the difficulty of arranging what should be the local areas within which the Company's operations were thenceforward to be confined, and to the time occupied in valuing the trunk lines.

By the Agreement of 1896 the National Telephone Company surrendered its previous licence, except as regarded the definite districts called "Exchange Areas," a large number of which are specified in the Agreement, power being reserved to the Postmaster-General to specify others from time to time. Outside

these areas the company ceased to be able to carry on telephone business coming within the Postmaster-General's monopoly.

Trunk Lines Purchased by the State.

The Company at the same time sold to the Postmaster-General the trunk lines. The total purchase money paid was 459,114*l.* 3*s.* 7*d.* The length of the trunk lines taken over was 2,650 miles, and the total length of wire about 29,000 miles.

Call offices for the use of the public were to be opened at the Company's exchanges, and the exchanges of the Company were to be connected with offices of the Postmaster-General in order that exchange subscribers in one area might telephone over the trunk wires of the Postmaster-General to exchange subscribers in other areas. Where this intercommunication occurred between two different systems (*e.g.*, the Postmaster-General's and the Company's) a terminal charge on the part of the receiving system was allowed.

Telephonic messages were also to be received at post offices from the exchanges either for—

(*a*) Transmission over the postal telegraphs and delivery as telegrams; or

(*b*) For delivery as express letters; or

(*c*) For delivery as ordinary letters.

It was also provided that Post Office Express Messengers should be supplied on receipt of a request by telephone, and that telegrams received at post offices should be telephonically transmitted to an exchange subscriber, if the subscriber so wished.

The object of all these provisions was to combine the telephonic with the telegraphic and postal services of the country.

It was a part of the scheme that the trunk wires of the Postmaster-General should be open, not only to exchange subscribers, but to all other persons, a uniform charge being made. Call offices were therefore opened at all post offices on the trunk system.

By the Agreement of 1896 intercommunication was established between exchange subscribers of the Postmaster-General in one area and exchange subscribers of the Company in another area; but the Agreement did not make provision for intercommunication in the same area between the subscribers of the Post Office and the subscribers of the Company, or between the Company's subscribers and those of any other licensee. In the negotiations preceding the Agreement of 1896, the Company refused to give such intercommunication on the ground that, as they had a large number of subscribers, any new-comer (whether the Postmaster-General or another licensee) with very few subscribers ought not to get the advantage of the Company's connection.

The Post Office not only purchased the trunk lines of the Company, as stated above, but proceeded to construct an extensive additional network of such lines. By an Act, which

received the Royal Assent on the 14th August 1896, the Government was authorised to raise for trunk wire purposes an additional sum of 300,000*l.* A further sum of 1,000,000*l.*, bringing the total up to 2,300,000*l.*, was authorised by the Telegraph Money Act of the 2nd August 1898.

On the 1st January 1896 the following scale of charges for trunk telephone calls of three minutes' duration was introduced :—

	s.	*d.*
For 25 miles or under - - -	0	3
Above 25 and under 50 miles - -	0	6
„ 50 „ 75 „ - -	0	9
„ 75 „ 100 „ - -	1	0
Every additional 40 miles or fraction thereof	0	6

On the 1st October 1906 these charges were reduced to one-half in the case of conversations between 7 p.m. and 7 a.m. (In the case of the lower charges, the reduction is effected by the grant of double time for a single fee.)

A Select Committee of the House of Commons on the telephone question had sat in 1895, but had not time to report any definite recommendations. There was considerable dissatisfaction with the Company's service, and much discussion took place on the claim of certain municipalities, the chief of which was the Corporation of Glasgow, to be licensed to conduct telephone business within their own areas in competition with the National Telephone Company.

A telephone licence, terminating in 1911, was granted to the States of Guernsey on the 31st December 1897, and a local exchange service was opened there on the 20th July 1898.

Municipalities and the Telephone.

In 1898 another Committee was appointed by the House of Commons "to inquire and report whether the telephone "service was calculated to become of such general benefit as "to justify its being undertaken by municipal and other local "authorities, regard been had to local finance."

This Committée, over which Mr. Hanbury presided, reported to the House in favour of the grant of licences to municipalities, and of competition with the National Company, both on the part of municipalities and on the part of the Post Office. The Government adopted the recommendations of the Committee, and in a Treasury minute, dated 8th May 1899, laid down the principles on which licences should be granted by the Postmaster-General to municipalities, and announced that in London the Postmaster-General would himself establish an exchange system. In the session of 1899 an Act was passed conferring upon municipalities the right to defray out of the rates the cost of establishing telephonic systems, and authorising a loan of 2,000,000*l.* for the telephone purposes of the Postmaster-General.

This Act also contains provisions defining the relations of the Company and municipalities (or other new licensees) in the

event of competition. In such event the Company were to abandon the power they possessed of showing favour or preference between subscribers, and to limit their charges within maxima and minima prescribed by the Postmaster-General. The Act further provides that—

(1) Any wayleave rights which the Company already possessed in the area by agreement with the local authority were extended for the period of the licence granted to the municipality (or other licensee);

(2) If the new licence were granted for a period extending beyond 31st December 1911, and a competitive exchange system actually established, the licence to the Company was extended for a similar period; and

(3) In the last-mentioned case, if the Company obtained an extension for as much as eight years beyond the 31st December 1911, they were bound at the request of the municipality or other new licensee, and on certain conditions, to grant intercommunication within the exchange area.

Conditions as to the number of subscribers justifying intercommunication and the levying of terminal fees were laid down in statutory regulations dated the 26th September 1899.

Under the Act new licences to compete with the Telephone Company were to be granted only to local authorities or to companies approved by the local authorities, and it prohibited the Telephone Company from opening exchanges in any area in which they had not before the passing of the Act established an effective exchange.

The practical effect of these provisions was to limit competition to municipalities, and to confine the work of the Telephone Company to those towns and areas which they were already serving, thus throwing upon the Postmaster-General the duty of serving other parts of the country.

The form of licence prepared to meet the case of municipalities and new licensees contained, in accordance with the recommendation of Mr. Hanbury's Committee and the declarations of the Treasury minute, provisions designed to secure to the public an efficient and cheap service. It was provided that the plant should be constructed in accordance with a specification prepared by the Postmaster-General, that there should be no preferential treatment as between one subscriber and another, that the charges made should be confined within certain specified limits, that neither the licence nor any plant of the local authority should be assigned to any other licensee of the Postmaster-General, or the licensee's business in any way amalgamated with that of any other licensee, and that the licence might be terminated if an exchange system were not established within two years of the grant of the licence.

The provisions of the Agreement of 1896 between the Postmaster-General and the Telephone Company, which secured co-operation between the Post Office and its licensees, and combined the telephone service with the telegraph and postal service, were also introduced into the municipal licences. The municipality was also bound to give intercommunication with any exchange established by the Postmaster-General, and terminal charges for trunk wire communications between the exchange subscribers of the Postmaster-General or any other authority and exchange subscribers of the local authority were forbidden.

Sixty local authorities applied for information under the Act of 1899; but eventually only 13 licences were issued to municipalities and one to a local company.

Of these thirteen, seven were subsequently surrendered or cancelled, because the corporations had not, in accordance with the provisions of the licence, established exchange systems within two years from the grant. In one other case, that of Tunbridge Wells, after an exchange had been established and worked for some months by the corporation, the licence was surrendered in 1903, when the corporation system was transferred by agreement to the National Telephone Company. The local company referred to went into liquidation and the licence was revoked. The Swansea Corporation sold their undertaking to the National Telephone Company in 1906.

The Corporations of Glasgow and Brighton surrendered their licences and sold their undertakings to the Post Office, Glasgow, on the 10th September 1906, for 305,000*l.*, and Brighton on the 1st October 1906, for 49,000*l.*

The only corporations that now hold licences and are carrying on telephone business are the following:—

——	Date of Establishment of Service.	Date of Termination of Licence.
Hull - - - -	3rd October 1904 -	31st December 1911.
Portsmouth - - -	14th November 1902 -	30th June 1926.

In each of these cases* the National Telephone Company, under the provisions of the Act of 1899, agreed to forego favour or preference as between subscriber and subscriber in the area, and to limit their rates of charge within the maxima and minima prescribed for the municipality. By virtue of this measure the Company obtained an extension of their licence until the termination of the municipality's licence, and in some cases certain wayleave rights for underground wires.

* In the case of Hull, the Company contend that subsequent events absolved them from this undertaking.

Growth of the State System.

While these arrangements were made with regard to the systems controlled by licensees of the Postmaster-General, the Post Office system itself entered on a period of development, both in the provinces and in London.

On the 1st October 1897 a reduced scale of charges for exchange connections in the provinces was approved. The old and the new scales were as follows:—

Old.		New.	
	£		£
Within ¼ mile (radial) - -	8	Within ½ mile (radial) - -	8
„ ½ „ „ - -	10	„ ¾ „ „ - -	9
„ ¾ „ „ - -	12	„ 1 „ „ - -	10
„ 1 „ „ - -	14		

In May 1900 the scale was fixed as follows:—

7*l.* 10*s.* for the first half mile and 1*l.* 5*s.* for each additional quarter mile or part thereof. These rates of subscription covered an unlimited number of calls to other subscribers on exchanges in the same area.

A scale of message-rate subscriptions was also adopted. Under this system the subscriber pays a fixed yearly sum for his installation, and also pays for each local message which he originates. By a modification introduced in April 1902, the message-rate subscriber undertakes to pay a certain minimum amount in respect of local calls. The Department's message-rate subscription for provincial exchanges was fixed at 3*l.* per annum and a penny for each originated local call, the subscriber guaranteeing a minimum of 30*s.* a year in respect of such calls. The payment mentioned covers circuits within a radius of half a mile from the exchange, or one mile in the case of large towns or certain other places where there is competition with the National Telephone Company. The charge for additional lengths of circuit is at the rate of 1*l.* 5*s.* per quarter mile.

In London the Department commenced laying an extensive underground system of telephone lines in 1899. The metropolitan area includes the county of London and the surrounding districts, extending from Waltham Holy Cross on the north to Reigate on the south, and from a point beyond Romford and Erith on the east to Southall on the west. It has an extent of about 640 square miles.

On the 18th November 1901 the Postmaster-General and the National Telephone Company signed an Agreement intended to prevent unnecessary duplication of plant and wasteful competition in the London area. The Agreement provides that there shall be free intercommunication between subscribers to the two systems in the London area; it fixes the rental to be charged by each party for exchange connections, and the terms

on which the Postmaster-General is to carry out underground work for the National Telephone Company; and it provides for the purchase by the Postmaster-General, on the 31st December 1911, of the Company's London system on what are known as "tramway terms." By virtue of this Agreement Post Office subscribers in London had from the beginning the advantage of communication with all the Company's London system.

The first Post Office Exchange opened in London was the Central (1st March 1902), which was designed to serve the City district. Accommodation was provided for an ultimate maximum of 14,000 direct lines, but this number having been exceeded, it has been found necessary to construct a second exchange, known as the City Exchange.

An exchange known as "Mayfair" provides for subscribers in that and the surrounding district. The "Western" Exchange serves the Kensington district, and the "Victoria" the district of Westminster. The Post Office has also opened exchanges at Hampstead, Ealing, Chiswick, Putney, Richmond, Kingston, Wimbledon, Croydon, Epsom, Esher, Barnet, Finchley, Harrow, Hornsey, Purley, Willesden, Burgh Heath and Sutton, and sub-exchanges for serving the districts of Hounslow, Malden, Mitcham, Southall, Wembley, Molesey and The Hyde. The development of the Western half of the metropolitan area is left mainly to the Post Office, while the Company takes the other half.

The rates for exchange connections in the London area, as fixed in agreement with the National Telephone Company, are as follows, under a one-year agreement in each case :—

Unlimited service rate, 17*l.* per annum.

Message rate :

(1) Inner London : Annual payment of 5*l.*, and a fee of 1*d.* for each originated call to a subscriber in Inner London ; 2*d.* for each call to a subscriber in Outer London.

(2) Outer London : Annual payment of 4*l.*, and a fee of 1*d.* for each originated call to a subscriber on the same exchange ; 2*d.* for each call to a subscriber on any other exchange in the area.

A minimum payment of 30*s.* for message fees is required from each subscriber.

An incident in connection with the establishment of the London Telephone Service was the employment of canvassers, a class which had not hitherto been authorised for Post Office business.

A noticeable feature of recent telephone development has been the use of the telephone in connection with other postal services, on the lines laid down in a Treasury minute of 1892. A message for onward transmission as a telegram or letter (express or ordinary) may be forwarded by telephone to the Post Office, and an express messenger may be summoned by the

same means; and on certain conditions subscribers can arrange to have inward telegrams sent to them from the Post Office by telephone instead of by messenger. The number of messages telephoned for onward transmission during the year 1910–11 was estimated at over 5,540,000.

The Purchase Agreement.

On the 2nd February 1905 the Postmaster-General and the National Telephone Company signed an agreement fixing the conditions under which the State is to take over the whole of the Company's system at the end of 1911. The agreement was considered by a Select Committee of the House of Commons, and came into force on the 1st September 1905.

Under this Agreement the Postmaster-General will purchase, on the 31st December 1911, the plant of the Company, and will take over the business carried on by them up to that date. Provisions are inserted for the purpose of excluding from the purchase plant which is inefficient or unsuitable. The price, which is to be determined by arbitration in case of disagreement, is to be based on what are known as "tramway terms." No payment is to be made in respect of goodwill or profits, except in the case of the Company's private wire business, which can be transacted without a licence, and in the case of the four local areas where the licence has been extended beyond 1911 under the Telegraph Act, 1899, as a consequence of municipal competition. During the continuance of their licence the Company are to allow intercommunication without additional charge between their system and that of the Postmaster-General. They are precluded from showing favour or preference as between subscribers, and the rates to be charged by them are confined within certain limits. Other conditions provide for the proper maintenance and development of the telephone system until 1911.

Later Developments.

A double period of six minutes instead of three minutes was allowed for each trunk call between 8 a.m. and 6 a.m. from 1903, and in 1906 it was further arranged to allow calls for single periods of three minutes at half the ordinary rates, with a minimum of 6*d*., between 7 p.m. and 7 a.m. Both alterations resulted in a large increase of traffic, the loss of revenue by the second alteration being made good with an increase of 12 per cent.

The terms for extensions of the trunk telephone wires were reduced in 1906. Formerly the guarantors of trunk extensions had been required to bear the whole of any loss incurred, but two-thirds of it were thenceforth borne by the Post Office.

Commencing in 1906 arrangements were made in many rural districts to provide telephone communication between market towns and their neighbouring villages. The wires erected for the transmission of telegrams — which are not numerous—are utilised as far as possible for the purpose of

these rural call office systems. Communication over the trunk lines with places not over 100 miles distant is in some cases found to be practicable.

On 1st May 1907 a scale of rates for telephone subscribers outside the London area was introduced in agreement with the National Telephone Company, the minimum annual subscription being fixed at 5*l.*, covering 500 calls to the exchange. Flat rates were discontinued except for private residences, and junction fees introduced for calls from one exchange to another.

An Act was passed in 1907 to enable an additional sum of 6,000,000*l.* to be raised for telephone extensions.

In 1909 a Committee, on which the Treasury was represented and of which the then President of the Institute of Chartered Accountants was a member, considered the question of altering the telegraph and telephone accounts to show more clearly the financial results of the two undertakings. In accordance with the Committee's recommendation, the cost of the Telephone Service has since been shown separately from the cost of the Telegraph Service in the Post Office Estimates presented to Parliament, as well as in the Appropriation Account of the Post Office Vote; and the receipts of the Telephone Service have been distinguished from the receipts of the other Telegraphic Services of the Post Office in the published Revenue Accounts.

There was a long controversy with the National Telephone Company as to its liability to pay royalty on private lines between two different persons or firms—known as A. to B. lines. The Company claimed that considerable classes of such lines were outside the Postmaster General's statutory monopoly. The case was brought before the Courts in 1907, when it was decided in favour of the Post Office. This judgment was reversed by the Court of Appeal in May 1908, but finally confirmed by the House of Lords on the 2nd April 1909. By the decision all A. to B. lines were removed from the class of "private wires," on the purchase of which the Post Office has to pay goodwill in 1912. A licence to the Company to provide fire, police and ambulance circuits was given on the 10th August 1910.

An Act was passed in 1909 to enable the Railway and Canal Commissioners to determine differences with respect to telegraphs (including telephones). The Commissioners thus became the arbitrators in matters of dispute in connection with the purchase of the undertaking of the National Telephone Company.

To prevent duplication of telephone plant in Glasgow and to accelerate the combination of the two systems there the Postmaster-General and the National Telephone Company agreed on the 30th August 1909 to a division of the area between the two parties, involving the closing of duplicate exchanges and the working by one party of the exchange lines of the other party on agreed terms.

In order that the extension of the National Telephone Company's system to meet public needs should not come to an end during the last few months of the Company's existence, not only did the Department provide large quantities of plant for the Company on rental terms, but it entered into an agreement dated the 24th August 1909 under which the Company was to provide plant which would be necessary for use after 1911 at the expense of the Postmaster-General. A similar arrangement, under which the Department undertook to bear the whole cost of opening and working new exchanges of the Company, was signed on the 14th September 1910.

It having been decided that a complete inventory of the Company's plant was necessary, an Agreement was signed on the 5th of October 1910 for arrangements under which the taking of the inventory by the Company's staff and its check by a Post Office staff should proceed simultaneously. The work commenced forthwith.

Revised Telephone Regulations (Statutory Rules) were issued on the 10th October 1910. No large changes of practice were introduced.

Anglo-French and Anglo-Belgian Telephones.

The first telephone circuits between England and France were opened for traffic on 1st April 1891 and the first circuits between England and Belgium on 8th June 1903. At the present time telephone communication with France and Belgium is provided by means of four London–Paris, one London–Lille, and two London–Brussels circuits. In May 1910 an improved four-wire telephone cable was laid by the Post Office between Abbot's Cliff, Dover, and Cape Grisnez, and will shortly be brought into use.

A new agreement regarding the Anglo-French telephone service is on the point of being concluded with France. It will provide for an early reduction of the charge for calls between Paris and London from 8*s.* to 4*s.* and for a corresponding reduction of the charges for calls between provincial towns in the two countries.

A proposal to lay an additional cable between this country and Belgium is under consideration.

Statistics of Growth.

The extent and use of the trunk system have made rapid strides since it was taken over by the Post Office in 1896. On the 31st March 1911, there were 680 trunk centres open, and the wire length of the system was about 209,000 miles. The number of trunk calls made during the year ended 31st March 1911 was nearly 30 millions.

The total number of telephones working in connection with the Post Office metropolitan exchanges on 31st March 1911 was 74,095.

The Post Office has largely increased its provincial exchange system since 1898. Exchanges have been opened at many

small towns and villages throughout the country, often involving the erection of trunk lines of considerable length. Some of these can only be provided under guarantee. The great majority of the Post Office provincial exchanges are in the less populous parts of the country and a favourable balance-sheet cannot be expected until the National Telephone Company's business in more profitable districts is taken over. On 31st March 1911 the Department had 25,681 subscribers in the provinces using 33,705 telephones and connected with 1,033 exchanges, including the acquired Corporation systems at Brighton and Glasgow.

The cheap form of telephone service for sparsely populated rural districts which is known in America as "farmer's lines" is being introduced. It involves a less expensive type of construction and the connection of several telephones on the same line. Although the conditions are less favourable than in America it is hoped that the new service will promote economic organisation in rural life and lessen the isolation of the farm house.

The year 1911 will be a landmark in telephone history. At its close practically the whole National service will have passed into the hands of the Post Office, increasing the Post Office telephone service ten-fold. Telephony has already largely taken the place of the older methods of communication, and a further great expansion may confidently be expected in a service so essential to modern business and social life.

Inland Money Orders.

The Money Order System of the Post Office is rather more than a century old.

In the year 1791, when the Postmasters-General were anxious to find some means of checking the frequent thefts of letters containing money, Mr. Gosnell, an accountant, of Crutched Friars, proposed two schemes for adoption by the Post Office, one of them being somewhat similar to the Money Order System of the present day.

The Postmasters-General, and the staff of the Post Office, were favourable to its adoption, but the legal adviser of the Department doubted whether the Postmasters-General, even with the concurrence of the Treasury, had power to adopt it and he also raised further difficulties, with the result that it was decided that the scheme should not be officially taken up.

The six Clerks of the Roads, however, who were already conducting a large newspaper business for their own advantage, came forward with a proposal to undertake a Money Order plan, or, as it was then called, a "Money Letter" plan, and the Postmasters-General not only sanctioned and encouraged the venture, but also bore the cost of advertising it, and, after some hesitation, allowed the advices of the Money Orders to go free by post under the "frank" of the Secretary to the Post Office.

The theory was that the money used by the country postmasters in this business was not the public revenue, but money which they had received as agents for the Clerks of the Roads in their newspaper business.

The scheme came into actual operation on the 1st October 1792, the limit of an Order (a limit frequently transgressed) being 5*l.* 5*s.*, and the commission charged at first 6*d.* in the £, of which the payee paid half. The commission was reduced on the 1st January 1793 to 4*d.* for Orders to or from London, while it remained at 6*d.* between country towns (the remitter now paying the whole); and subsequently reached the sum of 8*d.* in the £ for all Orders,* the commission being in addition to stamp duty.

Over and above the commission on the Orders and the stamp duty, the persons making use of them were, of course, obliged to pay the high postage of double letters, seeing that the packet would contain both a letter and a Money Order; and this hardship was so severely felt that in 1827 for Ireland, and, in 1837, for Great Britain, the Orders began to be printed at the top of a large sheet of paper, on which a letter might be written, and the whole might pass for a single postage.

It appears that, in the earliest days of the Money Order Office, this had sometimes been done without authority.

The capital embarked originally in the Money Order Office by the Clerks of the Roads seems to have been about 1,000*l.*

In 1793 a suggestion was made to raise the limit to 20*l.*, but this was not carried into effect.

The number of Orders issued from London, in the years from 1797–1800 inclusive, averaged 11,880 a year.

The numbers of Orders issued in 1826 was 52,000 and in 1836 it was 55,000.

On the 5th April 1798 the "Clerks of the Roads" gave up the scheme which had left them with a loss of 298*l.* besides interest, but the senior of them, Mr. Barnes, invited Mr. Daniel Stow (superintending president of the Inland Office) and Mr. Slater to join him in carrying on the Money Order Office as a private speculation. Other partners joined from time to time, and when the Committee of Revenue Inquiry reported upon the Post Office in 1829, the Money Order Office was being carried on by Messrs. Stow and Watts. The Committee entirely disapproved of such a concern being carried on by private persons for their own profit, and they recommended that it should be officially controlled, and the produce be appropriated to the revenue if it went on at all. Accordingly, to prevent the creation of any new vested interests, no new partners were allowed to be admitted, and the death of Mr. Stow in 1836 left Mr. Watts sole proprietor with a capital embarked in the concern of 2,000*l.*

* It appears that in 1838 Orders under 10*s.* were being issued for 6*d.*, but it is not clear whether this was, or was not, in accordance with the general rule of the Money Order Office.

Unfortunately, a similar interest had been created in Ireland, a Money Order Office having been given to Mr. Lees in 1831 (on a reorganisation of the Irish Post Office) in exchange for a Clerkship of the Munster Road, which he surrendered.

The Government determined, however, in 1838, to undertake the Money Order business, and to compensate these two officers. Mr. Watts received more than 400*l.* a year, and Mr. Lees more than 500*l.* a year; and business was commenced by the Postmaster-General on the 6th December 1838. The rates of commission were—

	£	*s.*	*d.*
For Orders not exceeding	2	0	6
„ „	5	1	6

The number of Orders issued in 1839 was 188,000.

In November of the following year the rates were reduced to—

	£	*d.*
For Orders not exceeding	2	3
„ „	5	6

and the number issued rose to 587,000 in 1840 and 1,500,000 in 1841.

The average number annually issued for the next succeeding years was as follows:—

1842–46	3,000,000
1847–51	4,500,000
1852–56	5,500,000
1857–61	7,000,000

At the beginning of 1862 a change was made by allowing the issue of Orders for larger sums; the existing rates were not altered, but Orders were issued for sums—

	£	*s.*	*d.*
Not exceeding	7	0	9
„ „	10	1	0

The annual numbers issued were—

1862–66	8,000,000
1867–70	9,750,000

On the 1st May 1871 a further reduction was made, and the scale of charges was fixed as follows:—

	£	*s.*	*s.*	*d.*
Under	0	10	0	1
„	1	0	0	2
„	2	0	0	3
„	3	0	0	4
„	4	0	0	5
„	5	0	0	6
„	6	0	0	7
„	7	0	0	8
„	8	0	0	9
„	9	0	0	10
„	10	0	0	11
Sums of	10	0	1	0

As a consequence of this reduction, the number of Orders issued rose in 1871 to 12,000,000; from 1872 to 1876–77 the average was nearly 16,000,000; and in 1877–78 was reached the highest number ever attained, viz., 18,000,000.

But at the low rate of 1*d.* for small Orders, the Money Order business could not be profitably carried on, and, indeed, the annual loss reached 10,000*l.*

It was, therefore, proposed to raise the rate of commission for the smaller Orders, and to provide a cheaper means of remittance for small sums.

The rates were raised, on the 1st January 1878, to—

£	*s.*		*d.*
Orders under 0	10	-	2
,, ,, 2	0	-	3

and at the same time the charge for registration of letters was reduced from 4*d.* to 2*d.* The rest of the scheme was realised by the introduction of Postal Orders on the 1st January 1881.

The average annual number of Money Orders issued from 1878–79 to 1880–81 was nearly 17,000,000, and the average numbers between 1881–82 and 1885–86 were 13,000,000.

On the 1st September 1886 the rates were reduced to the following:—

£		*d.*
Orders not exceeding 1	-	2
,, ,, 2	-	3
,, ,, 4	-	4
,, ,, 7	-	5
,, ,, 10	-	6

The annual number of Orders issued during the period 1886–87—1896–97 was almost stationary, averaging 9,000,000.

On the 1st February 1897 further changes were made in the rates of commission, as it was found that Orders below 1*l.* were still being issued at a loss, and that unnecessarily high rates were being charge on the larger Orders.

The rates fixed were—

£		*d.*
Orders not exceeding 3	-	3
,, ,, 10	-	4

Such an outcry was, however, raised by the Friendly Societies at the increase in the commission on Orders below 1*l.* that the 2*d.* rate was reverted to on 1st May 1897; and the rates became—

£		*d.*
Orders not exceeding 1	-	2
,, ,, 3	-	3
,, ,, 10	-	4

The average number of orders issued from 1897–98 to 1900–1 was 10,000,000 per annum, and from 1901–2 to 1903–4, 12,000,000.

On the 1st January 1904 the maximum limit was raised to 40*l.*, and the rates of commission fixed as follows:—

	£	d.
Orders not exceeding	1	2
" "	3	3
" "	10	4
" "	20	6
" "	30	8
" "	40	10

The average number of Orders issued annually from 1904–5 to 1909–10 was 10,512,000.

Notwithstanding the decrease in the number of Money Orders since 1877–78, the amount of money transmitted thereby has increased from 27,870,000*l.* to 39,500,000*l.* The decrease in the number of Orders in spite of the increase in amount is of course attributable to the introduction of Postal Orders (in 1881) which largely replaced Money Orders as remittances for small sums, and to the raising of the maximum limit.

It should be added that from 1871 to 1888 the business of issuing and paying Money Orders at the Chief Office was performed under contract, the contractor being an officer of the Department, but the clerks being his own servants.

In addition to the ordinary public Money Order service, the system is largely used for pensions and other payments by the Government offices. In the past year the number of such orders has been 2,874,000, representing 9,249,000*l.*

In 1906 a system was introduced under which the remitter of a Money Order could, on payment of a fee of 2*d.*, receive notice when the Order has been paid. This plan is known as the "advice of payment" system and continues in operation, although few people avail themselves of the convenience it affords. It has been extended to most of the countries abroad with which Money Order business is transacted, the fee for the Foreign and Colonial service being 2½*d.*

Since 1867 any Order, no matter on what office it is drawn, has been payable at the Money Order Department, if presented by a recognised London Bank, subject to a refund of the amount paid if it should afterwards appear to the Post Office that it has been wrongly paid. This system was extended to Edinburgh and Dublin in 1908 and since then to a number of large provincial towns. In 1909–10 nearly 3½ million Orders were paid in this way to bankers.

Foreign and Colonial Money Orders.

In the year 1843 Sir Rowland Hill included a Money Order system with the Colonies in a list of improvements which he wished to introduce, but no active steps were taken in the matter until 1849.

In that year the subject was brought forward by the directors of the New Zealand Company, who thought that such a system would be of great utility to emigrants, and indeed to all the colonists. A plan for Colonial Money Orders was, therefore, prepared at the Post Office, but difficulties occurred and the Government determined not to go on with it.

In 1855, however, the British Army in the East, and especially the civilian element of the expedition, who had not, like the soldiers, a regular official means of remitting money home, felt the need of some special arrangements for this purpose. Miss Nightingale remitted for these people no less a sum than 50*l*. a week during 1855, and at the end of the year it was decided that the Army Post Office should issue Money Orders, at inland rates, at Constantinople, Scutari, Headquarters, and Balaclava. The system began in January 1856, and during the first eight weeks more than 13,000*l*. was remitted. No means were provided for paying money at these offices, it could only be remitted home.

All persons were allowed to obtain Orders, but no doubt they were, in practice, used only by members of the expedition. The total amount of money sent home by this means reached 106,000*l*.

In April 1856 this system was extended to Malta and Gibraltar, but, in the following year, the war being over, the matter was reconsidered, and although Money Orders were allowed still to be issued at these two places, and were not confined, as had been in contemplation, to the use of the Army, Navy, and Convict Department, the rates of commission were raised to—

	£	s.	d.
Amounts not exceeding	2	0	9
,, ,,	5	1	6

in order that the rates for remittance by Money Order might not be cheaper than the commission required by the Commissariat and by the mercantile community.

The Money Order system was still confined to remittances homeward.

The average annual business was 4,133 Orders for 12,393*l*.

In 1858 the question of Money Orders with the colonies was brought forward again by the Canadian Government, and the Imperial Government decided to try the experiment. Orders were accordingly issued, in both directions, at four times the inland rates, on the 1st June 1859. The limit remained at 5*l*., as for Inland Orders.

Later in the same year the Malta and Gibraltar offices began to issue Orders payable in Canada as well as in the United Kingdom.

By the end of the year 1859 the number of Orders issued in Canada on the United Kingdom had reached 4,000, and in the United Kingdom on Canada 1,150.

In August 1860 Malta and Gibraltar began to pay as well as issue Money Orders.

In May 1861 the Government decided to extend the system to the colonies generally, the limit being now 10*l.* and the commission for Canada being fourfold, and for Malta and Gibraltar threefold, that on an Inland Order, *i.e.*:—

	£		s.	d.
For orders not exceeding	2	Malta and Gibraltar	0	9
		Canada	1	0
,, ,,	5	Malta and Gibraltar	1	6
		Canada	2	0
,, ,,	7	Malta and Gibraltar	2	3
		Canada	3	0
,, ,,	10	Malta and Gibraltar	3	0
		Canada	4	0

In the next few years the system was rapidly extended to other colonies, the same rates being adopted as those for Canada.

In 1867 an English Money Order office was established in the Paris Exhibition, and about 4,000 Orders passed each way.

In 1868 was concluded, with Switzerland, the first Money Order Convention with a foreign power. The Orders between the two countries were first issued on the 1st January 1869, and the rate of commission was the same as that for Inland Orders.

On the 1st July 1869 Money Orders began to be exchanged, on the same terms, with Belgium, but in 1871 the rates for these two countries were raised to threefold the inland rates, viz.:—

	£	s.	d.
Not exceeding	2	0	9
,, ,,	5	1	6
,, ,,	7	2	3
,, ,,	10	3	0

which was then the rate for the Foreign Money Orders which were beginning to be exchanged with other countries.

On the 1st January 1880 the rates for Colonial Money Orders were reduced to the same level, all foreign and colonial Money Order rates being thus assimilated.

On the 1st January 1883 the rates were further reduced and were fixed as follows:—

	£	s.	d.
Not exceeding	2	0	6
,, ,,	5	1	0
,, ,,	7	1	6
,, ,,	10	2	0

On the 1st February 1897 the rates for Orders for higher amounts were reduced, the new scale being—

	£	s.	d.
For Orders not exceeding	2	0	6
,, ,,	6	1	0
,, ,,	10	1	6

In 1904 the maximum limit of foreign and Colonial Money Orders was (with very few exceptions) raised to 40*l.*, the following scale of commission being adopted:—

	£	s.	d.
For Orders not exceeding	1	0	4
" "	2	0	6
" "	4	0	9
" "	6	1	0

with an increase of 3*d.* commission for every additional 2*l.* or fraction thereof.

On the 2nd July 1906 the poundage on Orders not exceeding 1*l.* was reduced to 3*d.*

Spain, and some of the states of Central and South America, are now the only countries of importance with which this country does not exchange Money Orders; and the British Post Office also acts as a medium for the exchange of Money Orders between several foreign countries and British colonies which have no Money Order arrangements with each other.

The past and present extent of the Money Order business with the colonies and foreign countries will be found in Appendix K. of the Postmaster-General's report.

Telegraph Money Orders.

On the 2nd September 1889 the issue of Telegraph Money Orders between London and 17 large towns was commenced as an experiment.

Between that date and the 28th February 1890, 2,088 Orders were issued, of the value of 8,674*l.*

On the 1st March 1890 the system was extended to all head and branch offices in the United Kingdom, and on the 1st March 1892 it was extended to all Money Order offices which were also telegraph offices.

The limit fixed was 10*l.*, and the rates adopted were—

	£	s.	d.
Not exceeding	1	0	4
" "	2	0	6
" "	4	0	8
" "	7	0	10
" "	10	1	0

in addition to a charge of at least 9*d.* for the official telegram authorising the payment and for the repetition thereof.

After the 1st March 1892 only one such telegram of advice was required in the case of several Orders sent at the same time if the total amount did not exceed 50*l.*

On the 1st February 1897 the rates were reduced to the following amounts:—

	£	d.
Orders not exceeding	3	4
„ „	10	6

On the 1st October 1898 the minimum charge for the telegram was reduced to 6*d.*, compulsory repetition being abolished.

On the 1st January 1904 the rates were again revised, and fixed at 2*d.* in excess of the ordinary Money Order rates, the minimum charge of 6*d.* for the telegram being maintained. At the same time the maximum limit of the Order was raised to 40*l.*; and it was provided that a separate telegram must be sent for each Order.

The average number and amount of Inland Telegraph Orders issued annually has been approximately as follows:—

	Number.	Amount.
		£
1890–1—1894–5	78,000	277,000
1895–6—1899–1900	218,000	724,000
1900–1—1904–5	439,000	1,352 000
1905–6—1909–10	554,000	1,895,000

The average amount of an Inland Telegraph Money Order during 1909–10 was 3*l.* 8*s.* 8*d.*

On the 1st November 1898 a Telegraph Money Order service was instituted with Germany; and during the year 1899–1900 the service was extended to Austria-Hungary, Belgium, Holland, Luxemburg, Norway, Roumania, and Switzerland. Italy and Sweden were added during 1900–1, France, Algeria, and Egypt during 1901–2, Denmark during 1905–6, the Faröe Islands during 1906–7, Bulgaria and Iceland during 1907–8, Canada, the United States, Crete, Portugal, Madeira, and the Azores during 1909–10, and Newfoundland and Tunis during 1910–11.

The rates fixed at first were 2*d.* in excess of the rates on ordinary foreign Money Orders of the same amounts, in addition to the charges for the telegram; but it was found that the additional expense in dealing with a telegraph order was considerably more than 2*d.*, and the excess charge was raised to 6*d.* on the 1st January 1904.

The maximum, which was at first 10*l.*, was assimilated to the maximum for ordinary foreign Money Orders (almost universally 40*l.*) on the same date.

The average number and amount of Foreign Telegraph Money Orders issued annually has been approximately as follows :—

——	Number.	Amount.
		£
1898–9—1899–1900 - - - - -	2,300	12,000
1900–1—1904–5 - - - - - -	13,300	77,000
1905–6—1909–10 - - - - - -	24,000	216,000

The past and present extent of the Telegraph Order business with each foreign country, &c., will be found in Appendix K. of the Postmaster-General's report.

Postal Orders.

Postal Orders were first issued on the 1st January 1881.

For many years before that date Postmasters-General had considered the question of issuing Orders for fixed amounts at low rates of commission, but were always deterred by the risks and difficulties attending the issue of anything resembling a low paper currency. It was, moreover, thought that the needs of the public were met by the Money Order system, especially after the reduction in rates which was made in 1871.

But this reduction, which, of course, largely stimulated the use of Money Orders of low value, was found to result in loss to the State, and it became imperatively necessary to adopt some cheaper method of remitting small sums. The objections which had barred the earlier issue of anything resembling Postal Orders were therefore set aside, and Parliament sanctioned the scheme in 1880.

The series of Orders issued in 1881 was as follows :—

	1*s.*, 1*s.* 6*d.*	2*s.* 6*d.*, 5*s.*, 7*s.* 6*d.*	10*s.*, 12*s.* 6*d.*, 15*s.*, 17*s.* 6*d.*, 20*s.*
Poundage	½*d.*	1*d.*	2*d.*

The period of currency of an Order was limited to three months, an amount equal to the poundage being deducted for each three months after the first when payment was made.

The circulation of this series of Postal Orders was approximately as follows :—

	£
1881–82 - - -	4,500,000 for 2,000,000
1882–83 - - -	8,000,000 „ 3,500,000
1883–84 - - -	12,500,000 „ 5,000,000

On the 2nd June 1884 a new series of Postal Orders was issued, the 12*s.* 6*d.* and 17*s.* 6*d.* denominations being abolished, several denominations introduced, and the poundage revised as follows :—

1*s.*, 1s. 6*d.*
Poundage ½*d.*

2*s.*, 2*s.* 6*d.*, 3*s.*, 3*s.* 6*d.*, 4*s.*, 4*s.* 6*d.*, 5*s.*, 7*s.* 6*d.*, 10*s.*, 10*s.* 6*d.*
Poundage 1*d.*

15*s.*, 20*s.*
Poundage 1½*d.*

At the same time it was provided that broken amounts might be made up by affixing postage stamps to the value of 5*d.* to the Orders.

In September 1885 the sale of Postal Orders, which had previously been confined to offices which were Money Order offices, was extended to many offices which were not of that class.

On the 1st September 1892 a new series of Postal Orders was issued, but the denominations remained unchanged. The words "Not negotiable" were printed on the new Orders.

In 1903 the number of denominations of Postal Orders was increased so as to provide Orders for every complete sixpence from 6*d.* to 20*s.* and for 21*s.* The points in the scale at which the poundage changed (1*s.* 6*d.* and 10*s.* 6*d.*) remained as before.

In the same year all Orders were provided with counterfoils, bearing the number and amount of the Order, for retention by the sender.

On 1st July 1903 the transaction of Postal Order business (paying as well as issuing Orders) was extended to practically all Post Offices.

In 1904 the charge made on cashing out-of-date Orders was reduced, one single additional poundage only being levied on Orders more than three months old.

In consequence of frauds committed in 1904 by altering the figures on Postal Orders and concealing the words representing the amount by postage stamps, a new form of Order was devised, on which spaces were provided for stamps affixed to make up odd amounts. It was also arranged that Orders for amounts of 10*s.* and upwards should be printed in red instead of blue. The first issue of the new form of Order took place in November 1905.

On the 2nd July 1906 the poundage on Postal Orders for 2*s.* and 2*s.* 6*d.* was reduced from 1*d.* to ½*d.*, and the poundage on Orders for amounts from 11*s.* to 15*s.* inclusive was reduced from 1½*d.* to 1*d.*

The average annual circulation of Postal Orders has been as follows :—

		£
1884–85—1889–90	33,000,000 for	13,500,000
1890–91—1894–95	55,000,000 „	21,000,000
1895–96—1898–99	70,000,000 „	25,000,000
1899–1900—1902–03	88,000,000 „	31,000,000
1903–04—1905–06	93,000,000 „	36,600,000
1906–07—1909–10	118,000,000 „	45,000,000

The amount of the stamps affixed to make up broken amounts, which was about 11,000*l.* in the first complete year of the arrangements, has now reached a sum of about 269,000*l.* a year, including Colonial Postage Stamps of the value of about 3,500*l.*

Imperial Postal Order Service.

British Postal Orders were at first circulated only within the United Kingdom, but on the 1st January 1882 their use was extended to Malta and Gibraltar, and in later years to the British Post Offices at Constantinople and other places abroad, and to India and a few of the Colonies.

In 1903 the whole of the Colonies and Dependencies were invited to join a scheme which made British Postal Orders not only available for remittances to and from the United Kingdom, but also from one Colony to another and for local use. At that time the British Postal Orders issued abroad numbered only 312,000 a year of the value of 186,000*l.*, but the system was quickly adopted by nearly all the Over-sea Dominions, and by 1909–10 the number issued had risen to 3,584,000 (value 2,098,000*l.*). Practically the whole of the British Empire is now embraced in this scheme with the exception of the Australian Commonwealth, though the adhesion of Canada is confined to payments.

Old-Age Pension Payments.

The Treasury having decided, under section 5 of the Old Age Pension Act of 1908, that the weekly payments of Old Age Pensions should be undertaken by the Post Office, a committee composed of representatives of the Treasury, the Inland Revenue, the Local Government Board, and the Post Office recommended that Orders for fixed amounts, somewhat resembling Postal Orders, should be issued to pensioners in book form and should be payable when due on being presented by Pensioners or their agents.

This recommendation was adopted, and the first payments were made on Friday 1st January 1909. In the first three months of that year 7,925,150 Orders, representing 1,904,000*l.*,

were paid to Old Age Pensioners. During the year ended 31st March 1910, 35,167,000 Orders, representing 8,465,000*l.*, were paid by the Post Office.

It was also arranged that the Postmaster-General should supply forms of application for pensions at all Post Offices, and that his officers should help applicants to fill them up.

Post Office Savings Bank.

The history of the Post Office Savings Bank is commonly held to begin with a speech made by Mr. Whitbread, in the House of Commons, on the 19th February 1807, when moving for leave to bring in his Bill "For Promoting and Encouraging "Industry amongst the Labouring Classes of the Community, "and the Relief and Regulation of the Criminal and Necessitous "Poor."

In his plan he included a proposal, which he evidently considered new and startling, for "the establishment of one great "national institution in the nature of a bank, for the use and "advantage of the labouring classes alone." Deposits were only to be made by a person certified "to subsist principally or alone by the wages of his labour"; they were not to exceed 5*l.* at a time, 20*l.* in one year, or 200*l.* in all; the fund was to be invested in Government Stock by "Commissioners of the Poor's Fund"; the stock was to be credited to the depositors, and the dividends, as they accrued, were to be carried to their credit and paid over when they reached 10*s.* It was by "the intervention of the Post Office" that the scheme was to be carried into effect; the Postmaster of the place from which the money was sent was to keep a record of each transaction, was to adopt such measures as the Postmaster-General might direct, and was to be paid 1*d.* in the pound.

The Commissioners of the Poor's Fund were also to grant annuities and insurances.

This scheme came to nothing, and more than half a century elapsed before the Post Office Savings Bank was founded. During that period proposals for such a bank were made from various quarters, and at last, in 1859, the efforts of Mr. Sikes, of Huddersfield, to bring some such scheme into operation were supported both by Mr. Gladstone, as Chancellor of the Exchequer, and Sir Rowland Hill, as Secretary to the Post Office.

To Mr. Chetwynd, Bookkeeper of the Money Order Office, is due the merit of having devised the plan which, supported by Mr. Scudamore, the Receiver and Accountant General, was the basis of the measure which was brought before Parliament on the 8th February 1861 and became law as the Post Office Savings Bank Act on the 19th May of that year.

The main features of the system were that deposits—at whatever Post Office they might be made—might be withdrawn at that or any other Post Office transacting Savings Bank business; that the accounts should be kept at London alone, all money being remitted to and from headquarters; that the whole amount deposited should be handed over to the Commissioners for the Reduction of the National Debt for Investment in Government Securities; and that interest on complete pounds at the rate of 2*l*. 10*s*. per cent. should be allowed to depositors. Deposits were to be of 1*s*. or multiples of 1*s*.; the limits of deposit for individuals were 30*l*. a year, or 150*l*. in all; but Friendly Societies might deposit without limit, and Provident and Charitable Societies might deposit within the limits of 100*l*. a year, and 300*l*. in all, or, with the assent of the National Debt Commissioners, beyond those limits.

Operations commenced on the 16th September 1861, on which day 301 Post Office Savings Banks were opened. At the end of 1862 the number of banks was 2,532 and the number of depositors nearly 180,000, with a balance to their credit of nearly $1\frac{3}{4}$ millions sterling.

Into various financial questions which from time to time during the succeeding years occupied the attention of Parliament, it is unnecessary here to enter. So far as depositors and the general public are concerned, the history of the Savings Bank for some years is a history of gradual expansion upon the original lines.

The limits of deposit and the general system remained unaltered, but year by year more offices were opened for Savings Bank business, and special efforts were constantly made to meet the special needs of particular classes of people.

The growth of the system down to 1880 is shown in the following table :—

	Average Number of Accounts remaining open at close of each year.	Average Amount of Deposits remaining to Credit at close of each year.	Average Balance in each Account.	Average Number of Offices.
		£	£ *s*. *d*.	
1863–1868	663,000	7,000,000	11 3 5	3,390
1869–1874	1,373,000	18,000,000	13 5 3	4,498
1875–1880	1,889,000	29,000,000	15 12 5	5,742

Friendly, Provident, and Charitable Societies, Trade Unions and Penny Banks, kept accounts with the Savings Bank, which rapidly became an important factor in the general development of thrift in the country, not only by the assistance which it rendered to thrifty individuals, but also as the ally of the associations for self-help.

The impetus given to the work of the Savings Bank by Mr. Fawcett, who took office as Postmaster-General in 1880, is a matter of history. It was his constant endeavour, by speech and pamphlet, to make the system familiar and acceptable to all classes of the people.

Under his direction the Annuity and Insurance business of the Post Office became a part of the Savings Bank system, and the Savings Bank also began to act as agent for persons of small means who might desire to invest in the National Funds. These branches of the system are described later.

Mr. Fawcett also introduced in September 1880 the arrangement for making small deposits by slips of postage stamps, with the object of enabling children and poor persons to save penny by penny.*

In 1887 an Act of Parliament was passed relating to the Savings Bank, increasing the facilities for the transfer of money from one account to another and for the disposal of the funds of deceased depositors, and providing in various ways for the convenience of the customers of the bank.

The average statistics from 1880 to 1890 are as follows:—

—	Average Number of Accounts remaining open at close of each year.	Average Amount of Deposits remaining to Credit at close of each year.	Average Balance in each Account.	Average Number of Offices.
		£	£ s. d.	
1881–1885	3,088,000	42,000,000	13 11 3	7,348
1886–1890	4,248,000	59,000,000	13 16 10	9,025

In July 1891 was passed another Act of Parliament, by which the maximum amount which might be deposited was raised from 150*l.* to 200*l.*, inclusive of interest. The annual limit remained at 30*l.*, but it was provided that, irrespective of that limit, depositors might replace in the bank the amount of any one withdrawal made in the same year. The object of this provision was to avoid curtailing the saving power of a person who might be driven by emergency to make an inroad upon his store, but who might, nevertheless, when the emergency had passed, find himself none the poorer and able to replace the money withdrawn. The Act provided also that where in any account the principal and interest together exceeded 200*l.*, interest should cease only on the amount in excess of 200*l.*, whereas previously, interest ceased altogether when it had brought the balance of an account up to 200*l.*

* For the better attainment of this object it has been decided to introduce towards the end of this year what is known as the "Home Safe" system, which provides for the deposit of sums saved coin by coin, and which will, it is hoped, wholly or in great part replace the stamp slip system (May 1911).

In connection with the passing of the Free Education Act in September 1891, steps were taken to bring before school children the advantages of thrift. Special stamp slips were prepared and issued, managers were supplied on credit with stocks of stamps to be sold to the children, and clerks from the nearest Post Offices attended at schools to open accounts and receive deposits. The arrangement began in January 1892; about 1,400 schools adopted the scheme at once, and three years later this number had risen to 3,000. A sum of nearly 14,000*l.* was estimated to have been deposited in schools in five months, and about 40,000*l.* in the first year.

Concurrently with the spread of the stamp-slip system in the schools, the extension of the older system of School Penny Banks, connected intimately with the Savings Bank, was a conspicuous result of the effort to turn into profitable channels the pence which no longer paid school fees. This system of saving is increasingly used by Education Authorities in Elementary Schools, and is now a far more efficient institution than the stamp slip scheme.

In December 1893 another Act of Parliament extended the annual limits of deposit from 30*l.* to 50*l.*

In the same month arrangements were made for the use of the telegraph for the withdrawal of money from the Savings Bank. A depositor might telegraph for his money and have his warrant sent to him by return of post, or he might telegraph for his money and have it paid to him in an hour or two on the authority of a telegram from the Savings Bank to the Postmaster. The first method cost the depositor about 9*d.*, the second cost him about 1*s.* 3*d.* for the transaction. The minimum cost has since been reduced to 6*d.* and 1*s.* respectively.

In the first eight months of the new system 21,000 depositors used it; in 1896 the numbers were as follows:—

Withdrawals by return of post - -	8,000
„ „ telegram - -	94,500

and in 1902 the number of withdrawals by the two methods reached 14,000 and 220,000 respectively. In 1903 and 1904 there was a slight decline, and the system of withdrawals on demand instituted in 1905 reduced the telegraphic withdrawals by about 50 per cent. The average annual number is now 120,000 for telegraphic and 15,000 for return of post withdrawals.

By the Workmen's Compensation Act of 1897 (the scope of which has been much increased by the Act of 1906) it was provided that sums awarded in compensation might be invested by the Registrars of County Courts in the Savings Bank, a facility of which great advantage has been taken. A similar provision was made by the County Courts (Investment) Act, 1900, in the case of money ordered by a judge to be invested for the benefit of an infant or a person of unsound mind.

By the Savings Banks Act of 1904 it was provided that acknowledgments should no longer be sent in the case of

deposits under 1*l.* (subsequently increased to 5*l.*, under the Post Office Savings Bank Act, 1908), the entry in the book being admitted as conclusive evidence of the deposit. The Act also provided for the transfer of deposits between the Post Office Savings Bank and Foreign and Colonial Government Savings Banks, the limitation of the deposits in one year to 50*l.* being removed in such cases.

In July 1905 an arrangement was introduced for the withdrawal of sums not exceeding 1*l.* without reference to headquarters. In 1909, out of a total of 10,022,437 withdrawals, 6,150,280 were made in this way.

The recent statistics of the Savings Bank have been as follows:—

—	Average Number of Accounts remaining open at close of each Year.	Average Amount of Deposits remaining to Credit at close of each Year.	Average Balance in each Account.	Average Number of Offices.
		£	£ s. d.	
1891–95 - - -	5,776,262	83,038,753	14 6 10	10,888
1896–1900 - -	7,643,792	122,561,555	16 0 6	12,599
1901–05 - -	9,392,291	146,316,729	15 11 10	14,312
1906 - - -	10,332,784	155,996,446	15 1 11	15,055
1907 - - -	10,692,555	157,500,077	14 14 7	15,166
1908 - - -	11,018,251	160,648,214	14 11 7	15,239

In 1909, 3,491,273 dormant accounts with an average balance of 2*s.* 2*d.* only were shown separately, leaving 7,913,295 active accounts with an average balance of 20*l.* 15*s.* The total amount of deposits remaining due on the 31st December 1909 was 164,596,065*l.*

On the financial position of the Bank it is perhaps sufficient to say that for every year until 1896 a profit accrued to the State after the Bank had paid its expenses and 2½ per cent. interest to its depositors. The total surplus so accruing was 1,598,767*l.* During the period 1896–99 the working of the Bank showed a deficit amounting to 34,123*l.*, owing to the rise in the price of Consols. From 1900 to 1902 there was again a profit amounting to 65,451*l.* in all; but the reduction in the rate of interest on Consols to 2½ per cent. changed this into a deficit of 107,403*l.* in 1903. Since then each year has shown a deficit, but the amount of the deficit has been greatly reduced by economical working and for the year 1910 will probably be less than 20,000*l.*

The total of the surpluses from the commencement in 1861 to the 31st December 1909 amounts to 1,665,217*l.*, and the total of the deficiencies to 760,905*l.*, leaving a net profit to the State of 904,312*l.*

Investments in Government Stock.

The action of the Post Office Savings Bank in purchasing Government Stock for its depositors dates from the 22nd November 1880, having been authorised by an Act of that year. Mr. Fawcett described the operation of the Act as follows:—

"Any person desiring to invest any sum between 10*l*. and 100*l*. in Government Stock can do so through the agency of a savings bank at a trifling expense, varying from 9*d*. to 2*s*. 3*d*., and have the dividends collected free of further charge. The purchase can be effected either by transferring money from the depositor's account or by means of a sum specially deposited for immediate investment."

By the end of the year more than 127,000*l*. stock stood to the credit of savings bank depositors. The total amount of stock which might be held by one person under this system was 300*l*.

By regulations made under the Savings Banks Act of 1887, and coming into force in September 1888, the minimum amount of stock which could be purchased was reduced to one shilling, and it was also provided that anyone who had purchased stock through the Savings Bank might, if he so desired, have it transferred to his own name at the Bank of England. In December 1893 an Act of Parliament raised the limits of investment to 200*l*. in one year and 500*l*. in all.

The average annual statistics of this business are as follows:—

Year.	Investments.	Sales.	Stock remaining at the End of the Year.
			£
1881–85 - - - -	14,000	5,000	1,554,000
1886–90 - - - -	19,000	11,000	3,776,000
1891–95 - - - -	23,000	16,000	6,206,000
1896–1900 - - -	24,000	14,000	8,051,000
1901–05 - - - -	41,000	18,000	15,695,000
1906–09 - - - -	38,000	21,000	20,447,000

The average amount of each purchase of stock in 1909 was 72*l*., and the average amount realised by each sale 67*l*.

Annuities and Insurances.

The Act to enable persons to insure their lives and purchase annuities through the Post Office was passed in 1864. The business was then unconnected with the Savings Bank. Lives between 16 and 60 years of age were insured and the amounts were from 20*l*. to 100*l*. Annuities from 4*l*. to 50*l*., immediate or deferred, were granted at the age of 10 years or upwards. Premiums and purchase money were paid at fixed intervals.

This Act came into operation at selected towns in England and Wales on the 17th April 1865, and the system remained unaltered until the 3rd June 1884.

In this period of 19 years 7,064 policies of insurance were effected, representing a yearly average of 372 policies amounting to 79*l*. each. The contracts for immediate annuities numbered 13,402 or 705 a year, and there were 978 contracts for deferred annuities. The amount of the immediate annuities granted was 187,117*l*., and of the deferred annuities 19,938*l*., but a part of the latter never came into payment, as the purchasers desired to be relieved of their bargains.

A new system was prescribed by Act of Parliament in 1882 after inquiry by a Select Committee of the House of Commons, and it is indissolubly connected with Mr. Fawcett's name. Its merit consisted chiefly in linking the annuity and insurance business with the Post Office Savings Bank, so that the payments for annuities and insurances are made through the deposits in the Post Office Savings Bank.

No special visit to a Post Office is necessary when a payment is due ; all that is required is that the depositor should give a written order that a certain sum should be devoted to the payment of premiums on a policy of life insurance or to the purchase of an annuity. The order once given, no further trouble need be taken. It will be acted upon as long as there stands to the depositor's account enough money to carry out the instructions contained in the order.

It was further provided that, for persons between 14 and 65, the limits of insurance should be from 5*l*. to 100*l*., and that sums of money might be insured payable at the age of 60 or at the expiration of terms of years. For annuities the minimum was reduced to 1*l*. and the maximum was raised to 100*l*. The restriction to "selected" towns was of course abolished, as the business was to be done everywhere through the Post Office Savings Bank, and all its branches were available.

Owing to the necessity for preparing new tables, this system did not actually come into operation until the 3rd June 1884 ; from that time to the 1st February 1896 the system remained without material alteration, though it was slightly affected by legislation in 1887 and 1893. In February 1896 new life insurance tables came into operation with reduced annual rates, and with provision for payment of sums insured at various ages as desired.

The number of immediate annuities granted in 1896 was 2,208 for 60,965*l*., as compared with 770 for 14,141*l*. in 1883 ; the number of deferred annuities was 202 for 4,178*l*., as compared with 104 for 2,120*l*. in 1883 ; and the number of insurances was 1,223 for 65,582*l*., as compared with 256 for 20,600*l*. in 1883.

Since then the annuity and insurance business has shown a steady decline. In 1909, 1,730 immediate annuities were granted for 40,124*l.*; 127 deferred annuities for 2,752*l.*; and the number of insurances effected was 395 for 19,324*l.*

This decline of business is no doubt primarily due to the competition of some of the more popular Industrial Insurance Companies, compared with which the Post Office is at a disadvantage as it does not employ canvassers.

The number and amount of contracts in existence on the 31st December 1909 are shown in the following table :—

——	Number.	Amount.
		£
Immediate annuities - - - -	29,015	699,420
Deferred annuities - - - -	2,708	53,047
Insurances - - - - -	12,936	743,644

Inland Revenue Licences.

In the year 1867 a licence duty was imposed instead of the assessed taxes on dogs, and the Post Office undertook the distribution of forms of application for the licences.

In 1869 the Post Office began to issue the licences themselves, and the system has been extended from time to time. On 1st January 1909 the power to levy the duties in England and Wales on Local Taxation Licences was transferred from the Commissioners of Inland Revenue to County Councils and the Post Office alone has power to issue the licences.

Nearly 3,000,000 licences of 36 different kinds are now issued annually by the Post Office, representing a revenue of nearly 2,000,000*l.*

The kinds of licences are as follows :—

Private brewers - - -	2 kinds.
Dogs.	
Hounds.	
Male servants.	
Carriages (including motor cars) -	21 ,,
Hackney carriages (including hackney motor cars) - - - -	3 ,,
Armorial bearings - - -	2 ,,
Guns.	
Game - - - - -	2 ,,
Game dealer.	
Gamekeeper.	

History of the Post Office Revenue.

As shown elsewhere, the public revenue of the Post Office may be said to have begun with the farming of the posts under the Commonwealth.

Up to the time of the Stuarts such posts as there were had been maintained by the Crown, with the somewhat unwilling assistance of the subject, the townships being compelled when required to provide horses for the royal couriers. From the carriage by these messengers of private letters came the first postal receipts, but these, even if they found their way into the Exchequer, were quite inadequate to cover the expenditure. It was estimated in 1609 that the posts were being maintained at a clear loss to the Crown of 3,400*l.* a year, and each new post created served to increase this loss.

The position was, however, radically changed by the proclamation in 1609 of the State monopoly in the carriage of letters. This measure, primarily political and designed to prevent the secret communications of the King's enemies at home or abroad, had unlooked-for results. The Posts being all in one hand, organisation became possible, and this organisation, carried out by Thomas Witherings in 1635, and coupled with a definite scale of postage rates (according to weight and distance), speedily made the service not merely self-supporting, but so rapidly remunerative that Prideaux, the successor of Witherings, was willing to pay a rent of 5,000*l.* a year for the profits. (The rates of postage ranged from 2*d.* under 80 miles to 8*d.* to or from Scotland, and 9*d.* to and from Ireland. These rates covered a single sheet only, double letters paying double.)

The system of farming the posts continued, as regards the posts generally, to nearly the end of the 17th, and as regards the bye-posts beyond the middle of the 18th century.

On the retirement of Prideaux in 1653 the rent was raised to 10,000*l.*, rising to 21,500*l.* at the Restoration and to 43,000*l.* some time before 1680.

Meanwhile, in 1663, the revenue had been settled on the Duke of York, reverting to the Crown on his accession in 1685, when it was estimated at 65,000*l.*

From this time onward the Post Office revenue formed a part of the hereditary revenues of the Crown, and accrued directly thereto, until the accession of George III., when the hereditary revenues were surrendered to the State, a fixed Civil List being granted in lieu by Parliament "for the support of the Royal Household and the expenses of the Civil Government." Under this arrangement the net revenue of the Post Office was carried to the Aggregate (now the Consolidated) Fund.

Whilst at the personal disposal of the monarch the Post Office revenue, in common with the other hereditary revenues, had been burdened with payments to certain persons to whom the Crown was under obligations, the payments being continued in many cases to their descendants. Thus a pension of 4,700*l.*

a year, granted in 1686 to Barbara Villiers, Duchess of Cleveland, and her successors the Dukes of Grafton, was paid out of the revenues of the Post Office till 1856, when it was commuted for 91,000*l*. A return of 1694 shows that the pensions charged on the Post Office revenue then exceeded 20,000*l*. a year—about a third of the net revenue. Such of them as have not been commuted either out of Post Office revenue or by vote of Parliament have since 1856 been charged on the Consolidated Fund.

Even before its formal surrender by the Crown the principle of Parliamentary control of the revenue and power to assign it to public uses had been affirmed. By an Act of 1711, which set up a General Post Office for the three kingdoms and the Colonies, the postage rates had been increased with a view to providing funds for the war with France and Spain then in progress, and it was provided that for a term of 32 years "the "weekly sum of 700*l*. out of the duties and revenues arising by "virtue of this Act shall be paid by the Postmaster General "into the Exchequer upon Tuesday in every week." Further, one-third of any surplus over and above the revenue at the old rates, after the payment of 700*l*. weekly, was reserved to the disposal of Parliament.

The anticipated increase of revenue was, however, hardly realised. A return of Post Office income and expenditure called for by the Treasury in 1721 gives the following figures:—

Year ended.	Gross Revenue.	Cost of Management.	Net Revenue.
	£	£	£
29th September 1710 -	111,461	44,639	66,822
„ „ 1721 -	168,968	69,184	99,784

The increase in the net revenue was thus about 33,000*l*. a year as against the minimum of 700*l*. a week (36,400*l*. a year) expected by the framers of the Act. The weekly sum of 700*l*. had, however, been regularly paid into the Exchequer, and the loss therefore fell on the Crown.

The Act of 1711, if unsuccessful in one direction, had important financial results in another. One of its clauses provided for the creation of cross-posts, up to that time practically non-existent. By the year 1719 the postage on bye and cross-post letters amounted to 4,000*l*., and in that year Ralph Allen, postmaster of Bath, offered to take the bye and cross-posts on lease at a rent of 6,000*l*. a year. The contract, granted on these terms, and renewed from time to time, was estimated by Allen to have brought him an aggregate profit of half-a-million sterling, and this is probably under the mark, as the profits in the first year after his death in 1764 amounted to 20,000*l*. By 1799, when the Bye-letter Office was merged

in the general establishment, they had reached 200,000*l*. a year.

The postage rates fixed under the Act of 1711 for a term of 32 years were in fact maintained until 1765, when slight reductions were made on short-distance letters. In 1784, however, the rates were again raised, simultaneously with Palmer's plan for carrying letters by mail-coach and, no doubt, discounting its success. A curious side-light is thrown on the position of the letter-post in the social economy of the time by the fact that the increase had been forced on Pitt, then Chancellor of the Exchequer, in place of a tax on coals proposed in his Budget and unfavourably received by the House. Notwithstanding the increase in the rates, the effect of Palmer's scheme was soon shown in the revenue returns, the net receipts of the Post Office rising from 160,000*l*. in 1783 to 330,000*l*. seven years later.

Further increases in the rates of postage took place in 1797, in 1801, in 1805, and in 1812, to satisfy the pressing needs of the Exchequer, and the fact that these increases had the result desired emphasises the change in conditions in the last 100 years. Nowadays an increase in postage rates would certainly not lead to a corresponding increase in revenne; in the days of high rates the use of the post was resorted to only in case of absolute necessity, and even an increase in rates could not further reduce it.

The very exorbitance of these rates prepared the way for Rowland Hill's great reform. At the accession of Queen Victoria the average postage on an inland letter was estimated at $8\frac{3}{4}d.$; the postage between London and Edinburgh was 1*s*. 1*d*., or more than double as much as in the reign of Queen Anne, and these rates only covered a single-sheet letter. In these circumstances it is not surprising to find that of the gross revenue of 2,340,000*l*. no less than 1,650,000*l*. was clear profit. The introduction of penny postage, estimated to reduce the profit by 300,000*l*. in the first year, actually involved a loss of over a million of revenue, besides adding 100,000*l*. to the expenditure, but the accounts still showed a balance of half-a-million on the right side. The receipts recovered themselves within 12 years, the recovery being no doubt accelerated by the stimulus given to the Money Order business, not only by the reduction of postage, but by a reduction of poundage which took effect in the same year.

The penny letter, the introduction of which was regarded with such apprehension by the guardians of the public purse, is now the mainstay of the postal revenue; not merely self-supporting, it also bears the dead-weight of the halfpenny post.

An integral feature of the reform was the substitution of a system of prepayment, by means of stamped covers or stamps, for the costly and troublesome arrangement under which the postage on a letter was collected from the addressee. The idea

of collecting revenue by means of stamps was not altogether new, the duty on patent medicines having been collected in this way since 1802; the plan had also been tried as regards postage in France and Italy.

Sir Rowland Hill in the first public edition of his pamphlet on "Post Office Reform" (February 1837) had proposed the use of "stamped covers and sheets of paper . . . . to be sold at such a price as to include the postage," and the employment of adhesive stamps, although not mentioned in the pamphlet, nor apparently at first contemplated, had been suggested in his evidence before the Commissioners of Post Office Enquiry earlier in the same year.

The earliest form of the stamped cover was that designed by William Mulready, R.A., but the design was hardly suitable for commercial purposes and led to such unfavourable criticism that the envelope was eventually withdrawn.

The adhesive stamps were at first issued in undivided sheets, which it was necessary to cut up with scissors; the practice of perforating the sheets dates from 1854.

In 1881, the separate Inland Revenue receipt stamp was discontinued, a new 1*d.* stamp available either for postage or revenue being issued, and in 1882 the assimilation was extended to certain stamps of higher values. The amount paid by the Post Office to the Inland Revenue Department in 1909–10 in respect of such stamps was roughly 600,000*l.*

In 1876, a separate series of adhesive stamps was introduced for the prepayment of telegrams, but the issue ceased five years later, the assimilation of the postage and Inland Revenue stamps having shown such a course to be practicable.

The history of the postal revenue since 1840 is one of steady expansion, now retarded for a time by a reduction of postage rates, now accelerated by the addition of new services. Of the latter the most noteworthy for their effects on the revenue are:—

(1) The Parcel Post, which brought in 250,000*l.* in the first year as the Post Office share of the postage, and now (1909–10) brings in nearly 1,300,000*l.*; and

(2) The Postal Order system, the gross receipts from which in the form of poundage are now nearly half a million sterling as against 25,000*l.* in the year following their introduction. The growth of this service, has, of course, adversely affected the use of Money Orders, the commission on which now amounts to a little over 150,000*l.*

In the accompanying table of postal revenue such variations in the receipts as can be identified with changes in the Service have been noted.

The financial history of the telegraphs is dealt with at pages 76–78; a table showing the revenue at quinquennial points since the acquisition of the system follows the table relating to the postal revenue.

A statement of the revenue from the telephone service is also appended, but as explained in the notes the table is not complete, the figures relating to the Provincial Exchange System having been included under the head of "Telegraphs" until 1904–5, and the expenditure on the entire system having been similarly treated up to 1907–8.

A history of the Post Office revenue would hardly be complete without some reference to the franking system by which it suffered so severely. The privilege of franking, although subjected to successive restrictions, all more or less unsuccessful, by its use and abuse completely altered the complexion of the early revenue returns. A report of a Committee of the House of Commons recorded in the Journal of the House for 16th April 1735 shows that the privilege had begun in 1660, that by 1716 the loss stood at 17,000*l*., and by 1733 had risen to 38,000*l*., the total loss during the 18 years being 500,000*l*., or nearly one-third of the net produce of the Post Office during the same period. As an instance of the abuse of the system it was related at an investigation in 1763 that "one man had, in the "course of five months, counterfeited 1,000 dozens of franks of "different members of Parliament."

In 1840, when the privilege was withdrawn on the introduction of penny postage, the value of the franked correspondence was estimated at 80,000*l*. a year.

As an instance of the difficulty experienced in collecting the revenue in the earlier days of the Post Office, it may be mentioned that during the whole of the reign of George III. the accounts show "irrecoverable debts due from late Postmasters and others in the reign of his late Majesty (George II.)" to the sum of about 55,000*l*. Nor was this laxity confined to the sub-accountants, for included in the amount was 12,500*l*. due from "the late Receiver General," the natural guardian of the revenue. An entry in the accounts for 1822 shows that these debts, together with others of the following reign, were in that year "cleared off by a warrant under the Royal Sign Manual," but the difficulty continued, and as late as 1854 the accounts show a debt of 1,800*l*., of over 30 years' standing, from the Department's Agent at Jamaica.

The accounts of the Post Office are preserved in an unbroken series from 1685, but owing to the obscurity of the earlier records and to changes of system it is difficult to arrive at a chronological statement of receipts and expenditure in which the items shall be strictly comparable. The matter is also complicated by the fact that until the middle of the 19th century the entire expenditure of the Post Office, as of the other Revenue Departments, was defrayed out of the revenue in its progress to the Exchequer. As an instance of this it may be noted that between 1815 and 1830 sums amounting to over 400,000*l*. were paid out of the year's revenue on account of the new Post Office then being built in St. Martin's-le-Grand.

The principle, now an axiom in the public service, that all revenue shall be paid into the Exchequer, and all expenditure met by votes in Parliament, although laid down as early as 1831, in the first report of the Committee of Public Accounts, was not adopted until 1854, and then only after great opposition. Lord Monteagle, a former Secretary to the Treasury, in giving evidence in regard to the proposed change before a Select Committee of 1848, went so far as to say that "to require the "House of Commons to vote, in addition to the present estimates, "the estimates for the Customs and Excise, the Post Office and "Stamps, in a Committee of Supply would so augment the "pressure as to make the business of the House of Commons, "and especially its legislative business, utterly and completely "impracticable." Undeterred by this prospect the House allowed the Bill providing for the change to pass, and the old system ended on 31st March 1854. The same Act empowered the Treasury to cause the annual accounts to be made up to 31st March instead of 5th January as previously. This change of the financial year took effect from 1st April 1854.

TABLE OF POSTAL REVENUE.

Year.	Gross Revenue.	Net Revenue.
	£	£
1649	—	5,000
1653	—	10,000
1660	—	21,500
1680 (circa)	—	43,000
1685	—	65,000
1699–1700	—	77,384
1709–10	111,461	66,822
1720–21	168,968(*a*)	99,784(*a*)
1749–50	207,491	97,398
1769–70	285,051	156,062
1782–3	398,624	159,625
1789–90	533,198(*b*)	331,180(*b*)
1799–1800	1,083,950(*c*)	720,982(*c*)
1809–10	1,675,076(*d*)	1,190,216(*d*)
1819–20	1,993,885	1,448,023
1829–30	2,024,418	1,380,239
1839–40	2,390,764	1,633,764
1840–41	1,359,466(*e*)	500,789(*e*)
1849–50	2,165,350	840,787
1860	3,531,165	700,028
1869–70	5,074,336	1,404,886
1871–2	5,322,356	1,449,315(*f*)
1879–80	6,982,537	2,601,380
1882–3	7,773,782	2,897,989
1884–5	8,479,249(*g*)	2,811,084(*g*)
1889–90	9,721,481	3,446,396
1896–7	12,146,935	3,900,579
1897–8	12,420,376	3,737,059(*h*)
1899–1900	13,394,335	3,710,336
1909–10	18,710,027	4,910,794

(*a*) Increase of postage rates under Act of 1711.
(*b*) Increase of postage rates and introduction of mail coaches, 1784.
(*c*) Increase of postage rates, 1797.
(*d*) Increase of postage rates, 1801 and 1805.
(*e*) Introduction of penny postage.
(*f*) Reduction of postage on letters above ½ oz., 5th October 1871.
(*g*) Introduction of parcel post, 1st August 1883. The additional revenue did not at first cover the expenditure.
(*h*) Jubilee concessions.

Telegraph and Telephone Revenue.

Year.	Gross Revenue.	Net Revenue (+) or Deficiency (—).*	———
1870	612,301(*a*)	+ 47,425	(*a*) The transfer of the Telegraphs took place on 28th January 1870.
1874–5	1,148,140	— 265,561	
1879–80	1,469,795	— 29,909	
1884–5	1,784,414	— 362,767	
1885–6	1,787,265(*b*)	— 371,554	(*b*) Minimum charge reduced to 6*d*. 1st October 1885.
1886–7	1,887,159	— 471,890	
1889–90	2,364,099	— 220,903	
1894–95	2,646,414	— 440,526	
1899–1900	3,460,492	— 587,452	
1904–5	3,920,023	— 1,191,127	
1909–10 :—			
Telegraph	3,166,875	— 1,090,389	
Telephone	1,750,308	— 39,616	

* Note.—Separate telephone figures not available prior to 1907–8.

Telephone Revenue.

Year.	Trunk Telephones.	London Telephones.	Provincial Telephones.	Royalties from National Telephone Company and other Licensees.	Total Receipts.
	£	£	£	£	£
1881–2	—	—	—	6,702	6,702
1884–5	—	—	—	18,825	18,825
1889–90	—	—	—	40,676	40,676
1894–5	9,702*	—	—	71,499	81,201
1896–7	98,155	—	—	85,401	183,556
1897–8	126,827	—	—	95,410	222,237
1898–9	170,444	—	—	109,346	279,790
1899–1900	198,792	—	—	129,950	328,742
1900–1	210,704	—	—	144,106	354,810
1901–2	240,296	5,833†	—	151,625	397,754
1902–3	268,945	64,313	—	167,139	500,397
1903–4	317,241	111,921	—	174,482	603,644
1904–5	372,658	186,037	45,115‡	200,725	804,535
1905–6	440,095	311,618	70,284	227,208	1,049,205
1906–7	479,604	343,214	148,211	243,665	1,214,694
1907–8	526,015	419,885	164,818	272,462	1,383,180
1908–9	567,435	475,225	183,336	296,446	1,522,442
1909–10	651,638	564,036	214,044	320,590	1,750,308

* Receipts from continental calls. The inland trunk system was not taken over till 1896.

† London telephone service began 24th February 1902.

‡ The provincial telephone receipts were not separated from the telegraph receipts prior to 1904–5.

APPENDIX A.

WAR ESTABLISHMENT of a PACKET BOAT, on the FALMOUTH STATION. Burthen 179 Tons, and carrying 28 Men, Officers included.

		Per Lunar Month.			Per Annum.		
		£	s.	d.	£	s.	d.
1	Commander	8	0	0	104	0	0
1	Master	5	0	0	65	0	0
1	Surgeon	5	0	0	65	0	0
1	Mate	3	0	0	39	0	0
1	Carpenter	3	0	0	39	0	0
1	Boatswain	2	0	0	26	0	0
1	Gunner	2	0	0	26	0	0
1	Cook	1	10	0	19	10	0
18	Able Seamen	1	8	0	327	12	0
2	Ordinary Seamen	1	4	0	31	4	0
28	Men victualled at 10*d.* a Day each	—			425	16	8
	First Cost of Packet Boat at 3,400*l.*, 5*l.* per cent. Interest.	—			170	0	0
	Insurance 7*l.* per cent.	—			238	0	0
	Hire, Wear, Tear and all Port-charges, including Water Casks, Coals, Candles, &c. at 15*l.* per Cent. viz., 6*l.* per Cent. to repay the Capital in 18 Years, and 9*l.* per Cent. for Wear, Tear, &c.	—			510	0	0
	Medicine Chest	—			8	0	0
	1*s.* per Man per Month for the Relief of distressed Seamen.	—			18	4	0
				£	2,112	6	8

(Signed) J. B. BENNETT, Inspr.
June 15th, 1797.

PEACE ESTABLISHMENT of a PACKET BOAT, on the FALMOUTH STATION.
Burthen, 179 tons, and carrying 21 Men, Officers included.

		Per Lunar Month.			Per Annum.		
		£	s.	d.	£	s.	d.
1	Commander	6	0	0	78	0	0
1	Master	4	0	0	52	0	0
1	Surgeon	4	0	0	52	0	0
1	Mate	2	0	0	26	0	0
1	Carpenter	2	0	0	26	0	0
1	Boatswain	1	10	0	19	10	0
0	Gunner		—			—	
0	Cook		—			—	
15	Able Seamen	1	8	0	273	0	0
0	Ordinary Seamen		—			—	
21	Men victualled at 9*d.* a Day each		—		278	8	9
	First cost of the Packet Boat at 3,400*l.* 5*l.* per Cent. Interest.		—		170	0	0
	Insurance 7*l.* per Cent.		—		238	0	0
	Hire, Wear, Tear, and all Port Charges, including Water Casks, Coals, Candles, &c. at 13*l.* per Cent. viz., 6*l.* per cent. to repay the Capital in 18 Years, and 7*l.* per Cent. for Wear, Tear, &c.		—		442	0	0
	Medicine Chest		—		4	0	0
	1*s.* per Man per Month for the Relief of Distressed Seamen.				13	13	0
				£	1,681	11	9

(Signed) J. B. BENNETT, Inspr.
June 15th, 1797.

WAR ESTABLISHMENT of a PACKET BOAT, on the HARWICH STATION.
Burthen, 70 tons, and carrying 17 Men, Officers included.

		Per Lunar Month.			Per Annum.		
		£	s.	d.	£	s.	d.
1	Commander	8	0	0	104	0	0
1	Master	5	0	0	65	0	0
1	Boatswain	2	0	0	26	0	0
1	Gunner	2	0	0	26	0	0
12	Able Seamen	1	8	0	218	8	0
1	Ordinary Seaman	1	0	0	13	0	0
17	Men victualled at 10*d.* per Day		—		258	10	10
	Hire, Wear, Tear and all Port Charges including 20*l.* per Annum for Tallow.		—		155	0	0
					865	18	10
	Deduct £2½ per Cent. on 155*l.*, being the amount of Agency, which was heretofore paid by the Captain, on the Hire, Wear, Tear of the Packet, which they will now neither pay nor receive.		—		3	17	6
					£862	1	4

(Signed) J. B. BENNETT, Inspr.
June 15th, 1797.

PEACE ESTABLISHMENT of a PACKET BOAT on the HARWICH STATION.
Burthen, 70 tons, and carrying 11 Men, Officers included.

		Per Lunar Month.			Per Annum.		
		£	s.	d.	£	s.	d.
1	Commander	4	0	0	52	0	0
1	Master	3	0	0	39	0	0
0	Boatswain		—			—	
0	Gunner		—			—	
9	Able Seamen	1	8	0	163	16	0
0	Ordinary Seamen		—			—	
11	Men victualled at 9*d.* per Day		—		150	11	3
	Hire, Wear, Tear and all Port Charges including —*l.* per Annum for Tallow.		—		135	0	0
					540	7	3
	Deduct £2½ per Cent. on 135*l.*, being the amount of Agency, which was heretofore paid by the Captain, on the Hire, Wear, Tear of the Packet, which they will now neither pay nor receive.		—		3	7	6
					£536	19	9

(Signed) J. B. BENNETT, Inspr.
June 15th, 1797.

APPENDIX B.

An ACCOUNT of the CURRENT EXPENSES of PACKET BOATS belonging to the POST OFFICE, for one Year between the 5th of April 1795 and the 5th of April 1796.

Packets Stations.	Hire, Wear, Tear, &c. of Packets on the Establishment.	Hire, &c. Paid by Incident Warrants.	Expenses for Arming the Packets.	Miscellaneous Expenses.	Captured Packets.	TOTAL.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Falmouth - -	33,519 6 0	6,499 1 3	2,003 19 3	8,750 12 4	9,671 4 1	60,444 2 10
Dover - - -	4,220 5 9	—	—	716 4 2	—	4,936 9 11
Harwich - -	3,331 4 7	1,373 4 5	—	70 5 2	907 3 8	5,681 17 10
Donaghadee - -	—	1,100 0 0	—	267 4 0	—	1,367 4 0
Milford - - -	—	1,320 7 6	—	—	—	1,320 7 6
Weymouth - -	—	1,541 14 1	—	—	—	1,541 14 1
West India Schooners.	—	333 6 8	—	—	224 14 3	558 0 11
Holyhead Packets paid by the General Post Office at Dublin, and allowed in their Accounts with the General Post Office, London.	—	—	—	—	—	1,750 0 0
	41,070 16 4	12,167 13 11	2,003 19 3	9,804 5 8	10,803 2 0	77,599 17 1

(Signed) J. B. BENNETT, Inspr.
June 3rd, 1797.

APPENDIX C.

To the RIGHT HONOURABLE The LORDS COMMISSIONERS of HIS MAJESTY'S TREASURY.

My LORDS,

WE have the Honor to forward to Your Lordships Copy of a letter to us from the Lieutenant Governor of Jamaica, dated Decr. 14th inclosing two accounts which he had then received of an Engagement between the "Antelope" Packet and the "Atalanta" French Privateer.

The distinguished behaviour of the Officers and Crew, reduced as they were in number of sickness, against a Force which in point of Men was so infinitely superior to theirs is now so generally known that it will be unnecessary for us to describe to your Lordships the Particulars of that glorious Action, especially as We enclose to you a further account of it from the Crew themselves.

The Resolutions of the House of Assembly at Jamaica as mentioned in the Lieutenant Governor's letter, and those of the *Society for encouraging

* A Committee of Lloyds.

the capture of Privateers Copy of which we enclose will show to Your Lordships how highly they think of the Merit of these brave Men upon this arduous and trying occasion.

We beg leave to observe to Your Lordships that their coming to an action was unavoidable on their parts, for they had long suffered themselves to be chased, and therefore the reward which Your Lordships may enable us to give in addition to which has been already and most honorably and voluntarily conferred cannot be construed into a Precedent for encouraging other Packets to depart from the Principle which Your Lordships have authorized us to adopt of directing our Packets to endeavour to outsail the Enemy and to avoid coming to an Action whenever it may be possible.

Under these circumstances, in the Rewards which We proposed for them, We cannot lose sight of the liberality already shown upon the occasion, nor can We appear to undervalue those services, the price of which is already stamped as it were by the donations which have been voted for them, and by the unanimous approbation which that Generosity has received from the Public Voice. It seems therefore only to be left to us to follow up the Principle which has already been adopted by giving similar Gratuities to the Men, and by giving a permanent Provision to the Mate who was wounded and to the Boatswain who commanded during the Action and to their Widows in the Event of the death of their husbands, and to provide for the children ("till they are married or apprenticed out") of such as were killed or who died in consequence of the Action according to the provision of the Minute which We here enclose.

It may also be proper to observe that towards defraying these sums the mail was saved by the Gallantry of this Crew which is a gain to the Revenue of about 400*l*., and the Packet which was valued at 2,750*l*. and must have been paid for by Us if taken.

We are My Lords, &c.
(Signed) WALSINGHAM,
(Signed) CHESTERFIELD.

P.S.

Since writing this Letter We have received from our Agent an account of the situation of two of the Seamen who were wounded in the Action whose Names are Sampson Dennis and Peter Wakeam and whose cases are particularly described in the Enclosure No. 9 of this letter, in consequence of which We take the liberty of recommending them to your Lordships for a Pension of Five Pounds p. Annum each.

(Sd.) W.
(Sd.) Ch.

General Post Office,
March 23rd, 1794.

King's House, Jamaica,
14th December, 1793.

My LORDS,

I HAVE the honour to enclose for your Lordships' Perusal Extracts of two letters relative to the Engagement with and capture of the "Atalanta" Privateer by His Majesty's Packet the "Antelope."

It certainly was a most gallant action and the House of Assembly were so thoroughly convinced of it that they immediately voted Five Hundred guineas, two to the Widow of the Master, one to the Mate, one to the Boatswain and one to the Crew.

Mr. Nodin a young Man, who was formerly in the Service, and was a Passenger with a view to get employed at home, deserves particular notice.

I should even wish that the Prize though a Droit of Admiralty may be given to the captain.

I have the Honor to be My Lords, &c.
(Sd.) ADAM WILLIAMSON.

His Majesty's
Postmaster General.

Extract 1.

EXTRACTS of two LETTERS concerning the ENGAGEMENT of the "ANTELOPE" Packet.

There were but 14 men capable of doing duty when they were attacked by the Privateer, all the rest were ill with Fevers. Their victory was entirely owing to the Passengers, as the Officers were killed early in the Action. Great Praise is given to Mr. Nodin, a Passenger, who was formerly a Midshipman, and from his knowledge of working the ship stood by the helm armed with a Pike and Musquet, which he alternately made use of as he found occasion. Colonel Loppinott's account of him surpasses all description. When he saw the Men climbing up the sides he immediately quitted the helm, seized his lance and sent them to oblivion, then returned to his helm, Righted the ship and seized his Musquet, loaded and flew to Quarters, and being a good Marksman was sure of dropping a Man every time he fired. In this great exertion was Mr. Nodin for an Hour and a quarter. They being locked alongside Mr. Nodin had an opportunity of taking good aim. Then success also depended on the conduct of the Boatswain, for when the Privateer grappled he lashed the Schooner forward fast to the Ship so that when the Rascals were swept off the deck, and when they wished to get away they could not, nor could a Man go forward to cast off but he was immediately shot by Mr. Nodin, and the ship being so much higher than the Privateer, gave the Packet People great advantage. Mr. Nodin in one of their attempts to board killed four or five Men. The Privateer had 65 men besides six or eight Blacks. Twenty odd lay dead on the deck when they called for quarters, besides several that must have dropped into the Sea. About 30 Men including wounded were landed. Great Praise is also due to Colonel Loppinot, his poor Secretary, who fell dead, and Mr. Bryant's Servant, Monsieur Cazeau. Colonel Loppinot, who knew the Captain of the Privateer, says he was a very great Rascal; on Board the Privateer there were a vast quantity of cloaths, both of Ladies and Gentlemen, and which it is supposed they have pilfered from on Board different Vessels which have fallen into their clutches.

APPENDIX C.

AN EXACT ACCOUNT of the "ANTELOPE'S" ACTION with the "ATALANTA."

December 1st. At 8 a.m., being off Cumberland Harbour five Leagues, We saw two schooners which gave chase. We kept Ship to the S. to avoid them, but soon found one of them coming up fast, but outsailed the other.

December 2nd. At 4 p.m., Chace about Gunshot from us. Hoisted our Colours; she hoisted French Colours and the Bloody Flag, and gave us her Bow Chaces, which we returned with our Stern Chaces. All Night running with the Schooner in Sight, which kept us at our Quarters all night. At 5 a.m. she sheared up and gave us a Broadside, which We returned; she then clapped us alongside and grappled us in a very hot Fire. At the same time observed them dividing themselves to board us on the Bow and Quarter; the 15 Men that were appointed to board us forward were killed by the Shot and Grape from the two foremost Guns, but there being no Guns aft, they got up, but were deceived by our Boarding Nettings and Handspikes. Captain Curtis in that Sally with a Passenger and the Steward got killed, and Mr. Mitchell badly wounded. We then kept up a constant Fire with Round, Grape and Musquetry, and she then made another attempt to Board us by

cutting down the Boarding Nettings, Ridge Ropes, &c., but they all got killed in the attempt. Our loss this Sally was 3 more wounded. They then tried to get off by cutting their Grappling Rope, but were prevented by the Boatswain locking her square Sail Yard to our Fore Shrouds. We directly after found her Fire slacken, which greatly encouraged us. We kept up a constant fire for half an Hour more, when We had the Pleasure of hearing them cry for Mercy. But by all appearance they deserved none, nor expected any, as some of them jumped overboard and drowned themselves, for their bloody Flag was nailed to the Masthead. They were then ordered to tear it down, and We then took Possession, which it was lucky was so soon, for our Main Sail, Netting, Quarter Cloths and Hammocks were on Fire, which in the midst of the Fire and Smoke was not seen. To save the Ship was obliged to cut all away.

"Antelope" sailed with 29 men in all from Falmouth:—

4 Men dead before the Action, 2 very Sick at the time, which left 23 including the Doctor.

3 killed, 4 wounded. A French Gentleman, Passenger, killed, who, with another French Gentleman, was all that assisted the Ship's Company.

The papers or Advertisements in Jamaica wrong in regard to Mr. Nodin's assisting them.

Privateer had 8 carriage Guns and—

65 Men.
50 Killed, wounded, and missing;
15 Men unhurt.

Witness to their signing,
Wm. Curgenven.

The Marks of
O. Jno. Pascoe, Boatswain.
X. Peter Bundle, Gunner.

APPENDIX D.

The Office of Postmaster General.

At the time of the Restoration (1660) the Post Office was granted in farm to Henry Bishop at a rent of 21,500*l.* a year for a term of seven years. After holding the office for nearly three years Bishop disposed of the remainder of his lease to Daniel O'Neale. During Bishop's term the Post Office was managed mainly by John Wildman. O'Neale died in October 1664, when his executrix and widow (Katherine, Countess of Chesterfield) became the farmer of the Post Office during the remainder of the lease. Colonel Philip Frowde managed the office during O'Neale's term. Upon the termination of Bishop's lease in October 1667 Lords Arlington and Berkeley became joint farmers at an annual rental of 25,000*l.* a year with a lease for ten years. The Post Office management now partook of the nature of a dual control, Sir John Bennett acting as Deputy Postmaster for his brother (Lord Arlington) and Andrew Ellis acted as Deputy for Lord Berkeley. In 1671 Sir John Bennett became a farmer of the Customs and quitted the Post Office in June 1672. Mr. Ellis then took over the entire management, but died in less than a month. After his death Mrs. Ellis transferred all her interest in the Post Office to Colonel Roger Whitley, and on the 29th July 1672 there is a declaration from the Earl of Arlington, Postmaster-General, notifying the appointment by him of Roger Whitley as Deputy Postmaster-General. The Deputy Postmaster-General in this instance was in reality a sub-farmer. Whitley held the office until

midsummer 1677, but continued the management for a few months on behalf of the Duke of York, upon whom the revenue of the Post Office was settled. The office was then placed under the management of Philip Frowde junr. under the title of Governor—the Postmaster-General being the Earl of Rochester. After the Revolution Major John Wildman was appointed under warrant of William and Mary dated 12th April 1689 to take possession of the Post Office and enter upon "the execution of the powers contained in the several Acts of Parliament made for erecting the said Office." Wildman was dismissed in February 1691 and was succeeded by Sir Robert Cotton and Mr., afterwards Sir Thomas, Frankland, one being a Whig and the other a Tory. The office of Postmaster-General now became a joint one and remained so until the year 1823—the last Patent of this kind being granted on the 28th October 1816 to the Earl of Chichester and the Marquis of Salisbury. Holders of the office in their joint capacity were styled "our Postmaster-General." In 1823 Lord Salisbury died and Lord Chichester became sole Postmaster-General under a new Patent. Since then the office has been held in succession by one person only.

In 1882, owing to the illness of Mr. Fawcett, M.P. (the then Postmaster-General), Mr. Shaw Lefevre, M.P., First Commissioner of Works and Public Buildings, was under a "Deed of appointment, executed by Mr. Fawcett, appointed Deputy Postmaster-General" with full powers to act during the Postmaster-General's illness.

List of Postmasters General.*

Colonel John Wildman	July 1689–March 1690.
Sir Robert Cotton Sir Thomas Frankland, Bart.	1690–1708.
Sir Thomas Frankland, Bart. Sir John Evelyn, Bart.	1708–1715.
Lord Cornwallis James Craggs (*Senior*)	1715–1720.
Edward Carteret Galfridus Walpole	1720–1725.
Edward Carteret Edward Harrison	1725–1732.
Edward Carteret	Christmas 1732–Midsummer 1733.
Edward Carteret Lord Lovel	1733–1739.
Lord Lovel Sir John Eyles, Bart.	1739–1744.
Earl of Leicester (Lord Lovel)	1744–1745.
Earl of Leicester Sir Everard Fawkener	1745–1758.
Earl of Leicester	November 1758–April 1759.
Earl of Bessborough Hon. Robert Hampden	2 June 1759–27 November 1762.
Earl of Egmont Hon. Robert Hampden	27 November 1762–23 September 1763.
Lord Hyde Hon. Robert Hampden	23 September 1763–19 July 1765.
Earl of Bessborough Lord Grantham	19 July 1765–29 December 1766.
Earl of Hillsborough Lord Le Despencer	29 December 1766–26 April 1768.
Earl of Sandwich Lord Le Despencer	26 April 1768–16 January 1771.
Lord Le Despencer Rt. Hon. H. F. Thynne (afterwards Carteret).	16 January 1771–11 December 1781.

* Based on a return to an order of the House of Commons and ordered to be printed 10 June, 1844.

Rt. Hon. H. F. Carteret (formerly Thynne).	11 December 1781–24 January 1782.
Viscount Barrington Rt. Hon. H. F. Carteret	24 January 1782–25 April 1782.
Earl of Tankerville Rt. Hon. H. F. Carteret	25 April 1782–1 May 1783.
Lord Foley Rt. Hon. H. F. Carteret	1 May 1783–7 January 1784.
Earl of Tankerville Rt. Hon. H. F. Carteret (Lord Carteret 27/1/84).	7 January 1784–19 September 1786.
Thomas Earl of Clarendon Lord Carteret	19 September 1786–10 December 1786.
Lord Carteret	10 December 1786–6 July 1787.
Lord Carteret Thomas Lord Walsingham	6 July 1787–19 September 1789.
Lord Walsingham Earl of Westmorland	19 September 1789–13 March 1790.
Lord Walsingham Earl of Chesterfield	13 March 1790–28 July 1794.
Earl of Chesterfield Earl of Leicester	28 July 1794–1 March 1798.
Earl of Leicester Lord Auckland	1 March 1798–27 February 1799.
Lord Auckland Lord Gower	27 February 1799–31 March 1801.
Lord Auckland Lord C. Spencer	31 March 1801–19 July 1804.
Lord C. Spencer Duke of Montrose	19 July 1804–20 February 1806.
Earl of Buckinghamshire Earl of Carysfoot	20 February 1806–5 May 1807.
Earl of Sandwich Earl of Chichester	5 May 1807–6 June 1814.
Earl of Chichester	6 June 1814–30 September 1814.
Earl of Chichester Earl of Clancarty	30 September 1814–6 April 1816.
Earl of Chichester Marquess of Salisbury*	6 April 1816–15 June 1823.
Earl of Chichester	13 June 1823–4 July 1826.
Lord Frederick Montague	4 July 1826–17 September 1827.
Duke of Manchester	17 September 1827–14 December 1830.
Duke of Richmond (by his first patent Postmaster-General of Great Britain; by a second, dated the 14th of April 1831, Postmaster-General of Great Britain and Ireland).	14 December 1830–5 July 1834.
Marquess of Conyngham	5 July 1834–31 December 1834.
Lord Maryborough	31 December 1834–8 May 1835.
Marquess of Conyngham	8 May 1835–30 May 1835.
Earl of Lichfield	30 May 1835–15 September 1841.
Lord Lowther (afterwards Earl of Lonsdale).	15 September 1841–2 January 1846.
Earl of St. German's	2 January 1846–14 July 1846.
Marquess of Clanricarde	14 July 1846–6 March 1852.
Earl of Hardwick	6 March 1852–8 January 1853.
Viscount Canning	8 January 1853–30 November 1855.

* Since Lord Salisbury's death on the 13th June 1823, no second Postmaster-General has been appointed.

Duke of Argyle	30 November 1855–13 March 1858.
Lord Colchester	13 March 1858–24 June 1859.
Earl of Elgin	24th June 1859–11 May 1860.
Duke of Argyle	11 May 1860–28 August 1860.
Lord Stanley of Alderley	28 August 1860–19 July 1866.
Duke of Montrose	19 July 1866–30 December 1868.
Marquess of Hartington	30 December 1868–24 January 1871.
Rt. Hon. Wm. Monsell	24 January 1871–13 November 1873.
Rt. Hon. Lyon Playfair (afterwards Lord Playfair).	13 November 1873–4 March 1874.
Lord John Manners	4 March 1874–14 May 1880.
Rt. Hon. Henry Fawcett	14 May 1880–7 November 1884.
Rt. Hon. George J. S. Lefevre	7 November 1884–29 June 1885.
Lord John Manners	29 June 1885–10 February 1886.
Lord Wolverton	10 February 1886–5 August 1886.
Rt. Hon. H. Cecil Raikes	5 August 1886–21 September 1891.
Sir J. Fergusson	21 September 1891–19 August 1892.
Rt. Hon. Arnold Morley	19 August 1892–5 July 1895.
Duke of Norfolk	5 July 1895–10 April 1900.
Marquess of Londonderry	10 April 1900–15 August 1902.
Rt. Hon. J. Austen Chamberlain	15 August 1902–9 October 1903.
Lord Stanley	9 October 1903–11 December 1905.
Rt. Hon. Sydney Buxton	11 December 1905–21 January 1910.
Rt. Hon. Herbert Samuel	21 January 1910.

ASSISTANT POSTMASTERS-GENERAL.

Sir Henry Norman	3 January 1910–21 February 1910.
Captain Cecil Norton	21 February 1910.

In a letter dated the 15th of May 1906, Sir Henry Campbell-Bannerman, then Prime Minister, informed Mr. Buxton, then Postmaster-General, that he had requested the Earl of Granard, one of the Lords in Waiting, to assist in the work of the Post Office under Mr. Buxton's directions. Mr. Buxton accepted responsibility for Lord Granard's acts. This arrangement continued when Lord Granard became Master of the Horse. The office of Assistant Postmaster-General was created by the Assistant Postmaster-General Act of 1909, which received the Royal Assent on the 25th of October in that year.

LIST of POSTMASTERS GENERAL in IRELAND, commencing with the separation of the Irish from the British Post Office in 1784, under the Act of the 23rd and 24th George the Third, to their Consolidation in 1830.

James Viscount Clifden, and Wm. Brabazon Ponsonby, Esq.	16 July 1784.
Wm. Brabazon Ponsonby, Esq., and Charles Lord Loftus	14 January 1789.
Charles Lord Loftus, and Charles Earl Belamont	18 July 1789.
Right Hon. Charles Earl of Ely, and Right Hon. Charles Marquis of Drogheda.	14 July 1797.
Right Hon. Richard Hely Earl Donoughmore, and Right Hon. Henry Fitzgerald, commonly called Lord Henry Fitzgerald.	19 April 1806.
Right Hon. Charles Henry St. John Earl O'Neill, and Right Hon. Richard Earl Clancarty	2 May 1807.
Right Hon. Charles Henry St. John Earl O'Neill, and Right Hon. Lawrence Earl Rosse	1 December 1809.

A List of the Deputy Postmasters General of Scotland.

The Warrant "for the constituting a Postmaster at Edinburgh at 100*l.* per Annum" was issued to Sir Robert Cotton and Sir Thomas Frankland "Our Postmaster General" from the Court at Kensington on the 21st of January 1701 and recites that "the Commissioners of our "Treasury have represented unto Us on behalf of the Post Renters of that "Our ancient Kingdome of Scotland (for the better removing the difficulty "you have hitherto complained of in obtaining the money due to Us for the "Postage of Letters from hence to Scotland) and proposed that you shall "nominate and appoint an officer at Edinburgh." The office was abolished in 1831 under a general revision of the staff. The title in use was Deputy Postmaster-General.

G. Maine	1701.	
James Anderson	1715.	
Sir John Inglis	1717.	
A. Douglas	1725.	
F. Colhune	1741.	
Sir John Inglis	1743.	
Alexander Hamilton	1746.	
Robert Oliphant (of Rossie)	1764.	
Thomas Elder (of Forneth)	1795.	
William Robertson	1800.	
Robert Trotter (of Castlelaw)	1802.	Died July 1807.
James Grant	1807.	
The Hon. F. Gray (who became Lord Gray on the death of his brother in December 1807).	1807.	Resigned 5 December 1810.
The Earl of Caithness	1811.	Died 26th July 1823.
Sir David Wedderburn	5 September 1823 until the abolition of the office in 1831.	

Succession of Secretaries to the Post Office down to the Present Time.

The appointment of Secretary to the Post Office was created by Treasury Warrant dated the 20th of June 1694. In 1694 the Postmasters-General urge the creation of the appointment of Secretary; in 1697 they speak of "having sent our Secretary down to Worcester"; and in October 1701, when reporting on a paper which had been referred to them as far back as June 1699, they explained that "by the death of our late Secretary the paper has been mislaid and but very lately recovered." That there was a Secretary during this period is, therefore, beyond doubt.

In the Frankland-Blaithwaite correspondence there is a letter from the General Post Office dated the 27th of May 1697 and docketed at the time of receipt thus:—"From Mr. Wilboyl, Commissioner of the Post Office." But there was no such office as Commissioner of the Post Office at that time, and it is probable that Wilboyl was Secretary and that with this official title, which had only recently been given, Blaithwaite was not acquainted.*

Willboyl (or Willboye)	1694–1700.
Benjamin Waterhouse	1700–1714.
Henry Weston	1714–1720.
Joseph Goodman	1720-1730.
W. Rouse	1730–1737.
Thomas Robinson (also Solicitor)	1737–1738 (died).
John David Barbutt	15 September 1738–July 1742.
George Shelvock	22 July 1742–12 March 1760 (died).
Henry Potts	19 March 1760–December 1762.
Anthony Todd	1 December 1762–July 1765.
Henry Potts	July 1765–January 1768 (died).
Anthony Todd	6 January 1768–June 1798 (died).

* *See* The History of the Post Office, by Herbert Joyce, C.B.

Sir Francis Freeling - - -	Joint Secretary 16 March 1797. Sole Secretary June 1798–10 July 1836 (died).
Colonel Wm. Leader Maberley -	29 September 1836–21 April 1854 (transferred to Board of Audit).
Sir Rowland Hill, K.C.B. - -	*Secretary to Postmaster-General 9 December 1846. Secretary to Post Office 22 April 1854–12 March 1864 (resigned).
Sir John Tilley, K.C.B. - -	15 March 1864–30 April 1880 (superannuated).
Sir Stevenson Arthur Blackwood, K.C.B.	1 May 1880–2 October 1893 (died).
Sir Spencer Walpole, K.C.B. - -	10 November 1893–10 February 1899 (superannuated).
Sir George Herbert Murray, K.C.B.	10 February 1899–30 September 1903 (appointed Permanent Secretary to Treasury).
Sir H. Babington Smith, K.C.B., C.S.I.	1 October 1903–19 September 1909† (resigned on appointment as President of National Bank of Turkey).
Sir Matthew Nathan, G.C.M.G.	17 January 1910.

* Appointed Secretary to the Postmaster-General to act as adviser in carrying out postal reforms which he advocated.

† Mr. A. F. King, C.B., acted as Secretary from 20 September 1909 to 16 January 1910.