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**TWELFTH REPORT**

**OF**

**THE POSTMASTER GENERAL,**

**ON**

**THE POST OFFICE.**

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*Presented to both Houses of Parliament by Command of Her Majesty.*

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**LONDON:**  
**PRINTED BY GEORGE E. EYRE AND WILLIAM SPOTTISWOODE,**  
**PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.**  
**FOR HER MAJESTY'S STATIONERY OFFICE.**

**1866.**

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## TWELFTH REPORT.

TO THE RIGHT HONOURABLE THE LORDS COMMISSIONERS OF  
HER MAJESTY'S TREASURY.

MY LORDS,

I HAVE the honour to present to your Lordships the Twelfth Annual Report on the Post Office.

The following table, which is similar in plan to that which appeared in the second and third pages of the Eleventh Annual Report, will give a tolerably complete view of the business of the Post Office, the Money Order Office, and the Post Office Savings Banks, in England and Wales, in Scotland, and in Ireland, during 1864 and 1865, and will show the increase and per-centage of increase in each branch of business during the latter year.

It will also furnish some information with regard to the business transacted by the Post Office under the Government Insurance and Annuity Act, which Act was in operation in one division of the kingdom during a part of the year 1865.

The table and the statements which follow it will show what efforts have been made, and what has been the result of the efforts made, during the past year, to afford additional accommodation to the public; and I trust that the results exhibited will be satisfactory to the country.







**IMPROVEMENTS OF POSTAL ACCOMMODATION DURING  
THE YEAR.**

**Receptacles for Letters.**

It will be seen from the foregoing table that the increase during 1865, in the number of receptacles for letters, was, as it had been during 1864, more than proportionate to the increase in the number of inhabited houses. The following statement shows the proportion of receptacles for letters to inhabited houses in each of the years 1863, 1864, and 1865 :—

	In England and Wales.	In Scotland.	In Ireland.
At the close of 1863 there was one receptacle for letters to every - -	327 houses.	261 houses.	517 houses.
At the close of 1864 there was one to every - - - - -	321 houses.	255 houses.	502 houses.
At the close of 1865 there was one to every - - - - -	309 houses.	254 houses.	495 houses.

The actual increase in the number of receptacles for letters during 1865 was considerably in excess of the increase in each of several previous years. For some years an addition of about 400 per annum had been made to the number of these receptacles, but in the year 1865 no less than 616 additional receptacles were brought into use.

**Free Deliveries.**

The following statement will show that the establishment, extension, and improvement of free deliveries were carried on more actively in 1865 than in 1864 :—

	Number of Places in which Free De- liveries were for the first time established.	Number of Places in which additional Free Deliveries were established.	Number of Places in which the Bound- aries of existing Free Deliveries were extended.
In 1864 - - - - -	413	100	88
In 1865 - - - - -	437	182	111
Excess of improvements in } 1865 over improvements } in 1864 - - - - - }	24	82	23

### Day Mails.

The following table will show how many of the towns in England and Wales were provided, in 1865, with additional means of communicating with London, and at the same time with additional means of communicating with many other towns:—

YEAR.	Towns having a Night and Day Mail from London.	Towns having a Night and Day Mail to London.	Towns having three Mails daily from London.	Towns having three Mails daily to London.	Towns having four Mails daily from London.	Towns having four Mails daily to London.	Towns having five Mails daily from London.	Towns having five Mails daily to London.	Towns having six Mails daily from London.	Towns having six Mails daily to London.	Towns having seven Mails daily from London.	Towns having seven Mails daily to London.
1864	397	276	55	78	10	15	3	6	—	—	—	—
1865	410	266	57	85	9	29	6	10	—	3	—	2
Increase	13	—	2	7	—	14	3	4	—	3	—	2
Decrease	—	10	—	—	1	—	—	—	—	—	—	—

In Scotland five additional towns were provided with a Day Mail to, and seven with a Day Mail from, Edinburgh. In Ireland nine additional towns were provided with a Day Mail to and from Dublin.

### Accelerations of Mails.

At the commencement of the year 1865, by means of an acceleration of the London Night Mail to and from South Wales, much additional accommodation was afforded to a large district. The effect of this acceleration may be gathered from the fact that Pembroke obtained its letters nearly two hours sooner and despatched them half an hour later than under the previous arrangement. The communication between the towns on the South Wales Railway, from Newport to Carmarthen, has been greatly improved by the establishment of additional local Mails during the day.

In the course of arrangements arising out of the acceleration of the Mail to South Wales, an acceleration of the Mail from the West of England for the North was effected. Under this arrangement the train conveying the letters for the North of England, Scotland, and Ireland (as well as for South Wales) was despatched from Falmouth at 10.15 a.m., instead of at the early hour of 7.20 a.m.; from Plymouth at 1.45 p.m., instead of at 12.40 p.m.; and from Exeter at 4.15 p.m., instead of at 3.30 p.m.

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By the establishment of an earlier Morning Mail from Ferry Hill to Hartlepool, the morning delivery of London letters at Hartlepool and West Hartlepool was accelerated by nearly two hours.

In Scotland a considerable improvement was afforded to a large but thinly-populated district by increasing the frequency of postal communication from three days to six days a week between Dingwall on the East Coast, and the Isle of Skye on the West during the summer months, when the correspondence is much larger than during the winter. By the establishment of a Mid-day Mail from Edinburgh and Glasgow to Stirling, Perth, and Dundee, much additional accommodation, of a kind which had long been desired, was afforded to those towns.

Many accelerations were effected in Ireland during the year 1865, and Mails were placed upon several lines of railway which had not been previously employed. The most important accelerations were those of the Day Mail from Cork and the South West generally to Dublin, of the Day Mail in both directions between Dublin and Belfast, and of the Night Mail in both directions between Dublin and Londonderry, by which last acceleration a large district in the North-west of Ireland was benefited.

Contracts for the general use of all ordinary trains were entered into with the Great Southern and Western, the Dublin and Drogheda, and the Dublin and Belfast Junction Railway Companies, and the contract with the Ulster Railway Company was extended. It was chiefly by means of these contracts that the improvements effected in the Mail Service in Ireland during 1865 were greater than they had been in any previous year for a considerable time past.

### **Extension of Postal District System to Provincial Towns.**

In the Seventh Annual Report, the Report for the year 1860, I stated that the marked success which had attended the establishment of the postal district system in London, had suggested an extension of that system to some of the large provincial towns, and that I had determined in the first instance to apply it to Liverpool, with a view to the development of local letter correspondence in that town.

In accordance with this determination the postal district of Liverpool was divided into four districts, which were respectively entitled the Western, Eastern, Northern, and Southern districts, and suitable sites for district offices were obtained in the Eastern, Northern, and Southern districts. The Western or principal district was already provided with an office, but this office had for some time been over-crowded, and, but for the introduction

of the district system, must, ere now, have been abandoned for some larger and more commodious building. The new district offices were rapidly constructed: the Eastern and Southern offices were respectively opened on 1st July and 1st August 1864, and the Northern office was opened on 12th March 1865, from which date the district system has been in full operation in Liverpool. It has been thought right since the first introduction of the system to make several modifications of the original scheme of operations, but it is not necessary that I should describe them. It will be sufficient for me to contrast the existing arrangements with those which prevailed before the district system was introduced, and to describe the advantages which have been secured to the public from the alteration.

Prior to the alteration, *i.e.* in 1863, the postal district of Liverpool was divided into a town and a suburban district, in the first of which there were four collections and four deliveries of letters daily, whilst in the second there were two collections and two deliveries daily. The postal district of Liverpool is now divided into four districts, each of which is again divided into a town and a suburban district. In the four town districts there are seven collections, and six deliveries of letters daily, whilst in the four suburban districts there are three collections and three deliveries daily. Formerly the area of the town district contained about 5,000 acres, now the area of the four town districts contains about 7,000 acres, so that 5,000 acres of the Liverpool district have gained an addition of three collections and two deliveries whilst 2,000 acres have gained an increase of five collections and four deliveries. Concurrently with these changes a very large addition has been made to the number of receptacles for letters in Liverpool. These indeed have been trebled, and it is probable that no house in the town districts of Liverpool is now distant more than 200 yards from a receptacle for letters. The following illustrations of the improvements in the course of post for local letters which have been effected under these alterations will probably be received as conclusive proofs of the advantages which have accrued from them to the public.

In 1863, if A.B., residing in the town district of Liverpool, wrote a letter to C.D., residing also in the town district, and posted it before 7.15 p.m. on a Monday, it was delivered by 9.30 a.m. on the following day, and if C.D. managed to post his reply by 11.30 a.m., it was delivered by 3.15 p.m. to A.B., who might then post a further letter up to 7.15 p.m. for delivery by 9.30 on the following (Wednesday) morning.

Thus between 7.15 p.m. on Monday and 9.30 a.m. on Wednesday, a period of 38 hours, only two letters and one reply could pass between A.B. and C.D.

Now if A.B. posts a letter to C.D. by 5 a.m. on Tuesday, or, to put the case less strongly, by midnight on Monday, it is delivered by 9.10 a.m. on Tuesday, and C.D.'s reply, if posted by 10.15 a.m., will reach A.B. by 12.30. And if A.B. writes a fur-

ther letter and posts it by 3 p.m., it will be delivered by 5 p.m., in which case C.D. may post a reply up to 6.30, which will be delivered by 9 p.m., and A.B. may then send a further letter to C.D., which, posted at any time before 5 a.m. on Wednesday, will be delivered by 9.10 a.m. on the same day.

Thus between midnight on Monday and 9.10 a.m. on Wednesday, a period of 33 hours, three letters and two replies may pass between A.B. and C.D.

Again, if A.B., in 1863, had posted a letter by 9.30 a.m., it would have been delivered by 12.45, and C.D.'s reply, if posted by 2.15 p.m., would have been delivered by 5.30. A.B. might then have posted a rejoinder up to 7.15 p.m., and this rejoinder would have been delivered by 9.30 a.m. on the following day. Thus the transmission of the letter, the reply, and the rejoinder would then have occupied 24 hours. Now, if A.B.'s letter be posted by 10.15 a.m., it will be delivered by 12.30; the reply, if posted by 3 p.m., will be delivered by 5 p.m., and the rejoinder, if posted by 6.30, will be delivered by 9 p.m., so that the transmission of the letter, the reply, and the rejoinder will not now occupy 11 hours, and will be completed within one ordinary working day.

The foregoing illustrations show very plainly that the course of post in the town districts of Liverpool has been much improved, but the following tables will perhaps exhibit the effect of the improvements more completely. These tables are similar in plan to those which were submitted by Sir Rowland Hill in the year 1837 (to the Commissioners appointed to inquire into the management of the Post Office), in support of his suggestions for the improvement of the course of post, and the development of local letter correspondence in the London district.

They show the time at which a letter from one part of the town district to any other part of the town district of Liverpool, and posted in 1863, or at the present time, at any hour of the day from 8 a.m. to 12 p.m., would have been delivered then, and the time at which it would be delivered now; the time at which the reply could then have been, and the time at which it can now be posted; and, lastly, the times at which the reply could then have been and can now be delivered. It will be seen, on examination of these tables, that at every hour of the day there has been a great improvement in the course of post for a letter and the reply thereto, and that whereas, in 1863, the time required for the transmission of a letter and the reply thereto was—

	At the maximum,	on the average,	and at the minimum,
	24½ hours,	19½ hours,	8½ hours,
it is now—	17½ hours,	11 hours, and	5 hours.

IN 1863.

A Letter posted at	Would be delivered at	And the Reply posted at	Would be delivered at	So that the time required for the interchange of Letters was
8 a.m.	12.45 p.m.	2.15 p.m.	5.30 p.m.	hours. 9 $\frac{1}{4}$
9 "	12.45 "	2.15 "	5.30 "	8 $\frac{1}{4}$
10 "	3.15 "	7.15 "	9.30 a.m.	23 $\frac{1}{4}$
11 "	3.15 "	7.15 "	9.30 "	22 $\frac{1}{4}$
Noon.	5.30 "	7.15 "	9.30 "	21 $\frac{1}{4}$
1 p.m.	5.30 "	7.15 "	9.30 "	20 $\frac{1}{2}$
2 "	5.30 "	7.15 "	9.30 "	19 $\frac{1}{4}$
3 "	9.30 a.m.	11.30 a.m.	3.15 p.m.	24 $\frac{1}{4}$
4 "	9.30 "	11.30 "	3.15 "	23 $\frac{1}{4}$
5 "	9.30 "	11.30 "	3.15 "	22 $\frac{1}{4}$
6 "	9.30 "	11.30 "	3.15 "	21 $\frac{1}{4}$
7 "	9.30 "	11.30 "	3.15 "	20 $\frac{1}{4}$
8 "	12.45 p.m.	2.15 p.m.	5.30 "	21 $\frac{1}{4}$
9 "	12.45 "	2.15 "	5.30 "	20 $\frac{1}{4}$
10 "	12.45 "	2.15 "	5.30 "	19 $\frac{1}{4}$
11 "	12.45 "	2.15 "	5.30 "	18 $\frac{1}{4}$
Midnight.	12.45 "	2.15 "	5.30 "	17 $\frac{1}{4}$
			Average	19 $\frac{1}{2}$ hours.

IN 1866.

A Letter posted at	Is delivered at	And the Reply posted at	Is delivered at	So that the time required for the interchange of Letters is	So that the gain at each period is
8 a.m.	12.30 p.m.	3.0 p.m.	5.0 p.m.	hours. 9	hours. 3 $\frac{1}{4}$
9 "	12.30 "	3.0 "	5.0 "	8	3 $\frac{1}{4}$
10 "	12.30 "	3.0 "	5.0 "	7	16 $\frac{1}{2}$
11 "	3.0 "	4.15 "	6.15 "	7 $\frac{1}{4}$	15 $\frac{1}{4}$
Noon.	3.0 "	4.15 "	6.15 "	6 $\frac{1}{4}$	15 $\frac{1}{4}$
1 p.m.	5.0 "	6.30 "	9.0 "	8	12
2 "	5.0 "	6.30 "	9.0 "	7	12
3 "	5.0 "	6.30 "	9.0 "	6	18 $\frac{1}{4}$
4 "	6.15 "	6.30 "	9.0 "	5	18 $\frac{1}{2}$
5 "	9.0 "	{ 5.0 a.m. }	9.10 a.m.	16 $\frac{1}{8}$	6
6 "	9.0 "	{ Next day. }	Next day.	15 $\frac{1}{8}$	6
7 "	{ 9.10 a.m. }	5.0 a.m.	9 10 a.m.	17 $\frac{1}{2}$	2 $\frac{3}{4}$
8 "	{ Next day. }	10.15 "	12.30 p.m.	16 $\frac{1}{2}$	5
9 "	9.10 a.m.	10.15 "	12.30 "	15 $\frac{1}{2}$	5
10 "	9.10 "	10.15 "	12.30 "	14 $\frac{1}{4}$	5
11 "	9.10 "	10.15 "	12.30 "	13 $\frac{1}{2}$	5
Midnight.	9.10 "	10.15 "	12.30 "	12 $\frac{1}{2}$	5
			Average, nearly 11 hours		

A considerable improvement has been effected in the course of post between Liverpool and Birkenhead, which last-named place must, for postal purposes, be regarded as a district of Liverpool. Formerly, if a letter were posted in the town district of Liverpool for the town district of Birkenhead by 9.30 a.m.,

the reply to that letter could not be received until 9.30 a.m. on the following day ; now, if such a letter be posted in Liverpool by 10.15 a.m., the reply can be delivered in Liverpool by 9 p.m. on the same day. So that in the course of post for such letters there is a gain of 13 out of 24 hours.

A further advantage has accrued to the town division of the western, or principal district in Liverpool, as regards its correspondence with the town district of Birkenhead. In 1863 the transmission of a letter, the reply, and the rejoinder between these districts occupied 30 hours ; it now occupies but 24 hours. It is probable that this further advantage will shortly be extended to the town divisions of the other districts of Liverpool.

The gain to the suburban divisions has not been so great as the gain to the town divisions of the Liverpool districts ; but it has still been considerable. The gain consists chiefly in the increased facilities for communication between the town and the suburban districts—for example, between a merchant's office in the town district and his residence in the suburban district—during the ordinary hours of business. In 1863 only one letter could pass from the merchant's residence to his office during the ordinary hours of business. This letter, if posted by 11.30 a.m., would have been delivered by 3.15 p.m. Now, two such letters can pass. The first, if posted by 9.30 a.m., will be delivered by 12.30 ; and the second, if posted by 2.15 p.m., will be delivered by 5 p.m.

Again, in 1863 only one letter could pass from the merchant's office in the town district to his residence in the suburban district during the ordinary hours of business. This letter, if posted by 11.30 a.m., would have been delivered by 3.45 to 4 p.m. Now, two such letters can pass ; the first, if posted by 12.15, will be delivered about 3.15 or 3.30 p.m. ; the second, if posted by 3 p.m., will be delivered by 5 to 5.15 p.m.

If the extension of the area of the town districts and the great increase in the number of receptacles for letters be taken into account, together with the foregoing illustrations, it will be admitted that a very considerable improvement has been effected in the course of post for local letters in Liverpool.

So much having been done to develop local letter correspondence by shortening the period required for the transmission of a letter and the reply thereto, or for the transmission of a letter, the reply, and the rejoinder, I come now to consider whether the desired result has been obtained, and I am happy in being able to report that a very large increase in the number of local letters has taken place, and that it is directly traceable to the improvements which I have described. In the nine years preceding the introduction of the improvements which I have described, the Liverpool local letters rose in number from 1,500,000 to 3,800,000 per annum, there having thus been an average annual increase of 250,000 letters. In the two years following the introduction of those improvements, and during a portion of which two years

only a part of the improvements took effect, the local letters rose in number from 3,800,000 to 5,300,000 per annum, there having been an average annual increase of 750,000 letters. It appears, therefore, that the annual rate of increase in local letter correspondence has been raised from 250,000 to 750,000 letters, and that the improvements which I have described have already developed that correspondence to the extent of half a million of letters per annum.

A considerable benefit, however, has accrued, under these changes, to the general as well as to the local correspondence of Liverpool.

The town districts have gained three-quarters of an hour in the dispatch of the Day Mail to London. In 1863 letters for this Mail must have been posted by 9.30 a.m., that is before the morning delivery of letters from London. Now they may be posted up to 10.15 a.m., that is one hour after the morning delivery of letters from London.

And the suburban districts have gained a Day Mail to and a Day Mail from London. In 1863 there was no collection for the Up Day Mail, and no delivery of the Down Day Mail in those districts. Now letters posted in those districts by 9.30 a.m. are in time for the Up Day Mail, and letters arriving by the Down Day Mail are delivered throughout the districts in ample time to admit of replies being sent to London by the Night Mail. The extension of the Up and Down Day Mails to the suburban districts of Liverpool has, of course, benefited the correspondence between those districts and many other towns.

The town districts of Liverpool have now six deliveries of letters from Manchester daily, as compared with only three deliveries of such letters in 1863. Under the extension of deliveries and collections in Liverpool the course of post between correspondents in the town districts of Liverpool and private box holders in Manchester (who can obtain their letters at the Box Office shortly after the arrival of each dispatch from Liverpool) has been greatly improved; but the improvement in the course of post between ordinary correspondents in Liverpool and ordinary correspondents in Manchester is at present only partial and one-sided. A scheme is under consideration, however, for the extension of the deliveries and collections in Manchester, and when this plan shall have been carried out a very marked improvement will be effected in the course of post between these great towns, and will, I doubt not, be followed by a rapid development of their already large correspondence.

The deliveries of letters from the rest of the principal towns in Lancashire and from the principal towns in Yorkshire have also been considerably increased in number.

The improvements which have thus been effected in the mode of dealing with the general correspondence of Liverpool have had the effect of largely increasing that correspondence.

In the nine years preceding the introduction of these improve-



ments it had increased at an average annual rate of 600,000 letters, but in the two years following the introduction of the improvements that rate of increase has been doubled, so that the improvements may be credited with having developed the general correspondence to the extent of 600,000 letters per annum. But, as was to be expected, the effect of the improvements in the local letter correspondence has been proportionately much greater than their effect on the general correspondence; for whereas the local letters have increased, since the introduction of the improvements, at the rate of 38 per cent., the general correspondence, exclusive of the local letters, has increased at the rate of only 17 per cent. The increase in the general correspondence of the kingdom during the corresponding period has been at the rate of 12 per cent.

### Alteration in the Scale of Postage for Inland Letters.

In the year 1865 I carried into effect, with your Lordships' sanction, a measure, which had for some time been under consideration, for the alteration of the scale of postage for Inland letters from a progression by one ounce, and the charge for one ounce at each step after the first ounce of weight to a progression by half an ounce and the charge for half an ounce at each step.

The effect of this measure, which formed a part of Sir Rowland Hill's original scheme of penny postage, may be illustrated by the following table:—

—	From.	To.
	<i>d.</i>	<i>d.</i>
By the new arrangement the charge on inland letters weighing more than 1 oz., but not exceeding 1½ ozs., was reduced - - - - -	4	3
And on letters between 2 ozs. and 2½ ozs. - - - - -	6	5
And on letters between 3 ozs. and 3½ ozs. - - - - -	8	7
And so on at each alternate step in the scale.		

In proposing to your Lordships to effect this reduction of postage, I stated that the greatest loss which it would entail would not in my estimation exceed 1s. 1½*d.* per 1,000 letters, which would have produced a total loss on the correspondence of the year 1865 of from 39,000*l.* to 40,000*l.* I added, however, that as the public might reasonably be expected to become less solicitous as to the weight of their letters when the charge for over weight was diminished by one half, it was fair to suppose that the loss which would result from the carriage of those letters at 3*d.*, which had heretofore paid 4*d.*, would be in some degree counterbalanced by the gain resulting from the transmission of letters at 3*d.*, which would otherwise have been kept by their writers within the limits for which a charge of 2*d.* would suffice.

I am happy in being able to state that my expectation has been realized, for the actual loss under the alteration appears to be at the present time at the rate of only 10*d.* per 1,000 letters. This on the correspondence of 1865 gives a total loss of 30,000*l.*, but the loss appears to be in the course of gradual diminution, and may ultimately disappear altogether.

Since the commencement of the present year a corresponding alteration has been made in the scales of postage for books, patterns, and samples.

### **Late Letters.**

In the Eleventh Annual Report I stated that at the close of the year 1864 I had under consideration a measure for giving additional facilities for the late posting of letters for the Night Mails out of London at the chief and district offices. This measure, which was carried out early in 1865, and has been attended with success, may be thus described. Under the pre-existing arrangement letters for the Night Mails generally could be posted for an extra payment of one penny up to 6.45 p.m. at the district offices, and up to 7.0 p.m. at the chief office, and, for an extra charge of sixpence, up to 7.30 p.m. at the chief office. Under the arrangement which came into operation in the beginning of 1865, letters for the Night Mails generally may be posted for an extra charge of one penny up to 6.45 p.m. at the chief and district offices, for an extra charge of twopence up to 7.15 p.m. at the chief and district offices, and for an extra charge of fourpence up to 7.30 p.m. at the chief office. Thus the period for posting late letters at the district offices has been extended by half an hour, whilst the extra charge for the late posting of letters has been reduced, in the case of letters posted between 6.45 p.m. and 7.15 p.m., from sixpence to twopence; and in the case of letters posted between 7.15 p.m. and 7.30 p.m., from sixpence to fourpence. A further advantage has been given to letters posted at a district office in the vicinity of the railway station from which they are to be conveyed. The period for the late posting of such letters at district offices has been extended to 7.45 p.m., at an extra charge of twopence.

The success of this measure as a whole will be obvious when it is stated that, notwithstanding the considerable reductions of charge involved in it, the revenue derived from late letter fees in London, during 1865, exceeded by 20 per cent. the revenue derived from the same source in 1864.

### **Foreign and Colonial Posts.**

The principal improvements in regard to postal communication with foreign countries and colonies, during the year 1865, were:—

I. The extension to the correspondence with Canada, British

North America, and Newfoundland, Vancouver's Island, and British Columbia, Sierra Leone, Gambia, the Gold Coast, Lagos, the Falkland Islands, Gibraltar, Malta, Alexandria, Labuan, China, and Japan, of the half ounce scale of postage, that is, of a scale of postage progressing at each step by half an ounce and the charge for half an ounce.

II. The extension of the Pattern Post to Belgium, Switzerland, Denmark, the Cape of Good Hope, Natal, and St. Helena, the Danish Colonies in the West Indies, the foreign ports in China, and the foreign ports on the West Coast of Africa.

III. The extension of the Book Post to the ports in China.

And IV. The reduction of postage on correspondence with Belgium *viâ* Ostend from 4*d.* to 3*d.* per single half ounce letter; on correspondence with Denmark from 9*d.* to 4*d.*; on correspondence with Sweden from 1*s.* to 6*d.*; on correspondence with Norway from 1*s.* 2*d.* to 8*d.*; on correspondence with Holstein and Schleswig from 9*d.* to 8*d.*; on correspondence with Vancouver's Island, British Columbia, San Francisco, Oregon, and the Sandwich Islands, *viâ* St. Thomas and Panama, from 2*s.* 4*d.* to 1*s.* 6*d.*, and on correspondence with Switzerland, *viâ* France, from 6*d.* to 5*d.* per single quarter ounce letter.

During the year 1865 fresh contracts were made for the conveyance of the Pacific and the Australian Mails. Under these contracts, which involved no alteration of service, a saving of 21,000*l.* per annum was effected, and this saving, if added to the saving previously effected under the new contracts for the Dover and Calais and Dover and Ostend, and the West Indian, Brazilian, and Cape services, makes a total saving in the cost of ocean mail services, within the last three years, to the amount of 100,000*l.* per annum.

### Increase of Correspondence.

The table at page 2 shows that the increase in the number of letters conveyed by the Post Office during the year 1865, was more than proportionate to the increase in population, and in the number of inhabited houses; and the following statement will show what has been the actual increase during the last three years:—

Articles conveyed by the Post Office.	Increase in 1863 over 1862.	Increase in 1864 over 1863.	Increase in 1865 over 1864.
Letters - - - - -	36 Millions.	36 Millions.	41 Millions.
Books and Free and Chargeable Newspapers - - - - -	2 Millions.	6½ Millions.	1½ Millions.
Samples and Patterns - - -	{ The Sample and Pattern Post was not in existence in 1863 }		660,000
		625,000	

The gross total of the articles conveyed by the Post Office rose, in 1865,

to— Letters, - - - -	-	720,460,000
Books, and Free and Chargeable } -	97,250,000	
Newspapers - - - - }		
Samples and Patterns - - - -	-	1,280,000
		<hr/>
	In all	<u>818,990,000</u>

In the Number of registered letters also a continued increase took place, the number of such letters having risen from 1,965,000 in 1863, and 2,130,000 in 1864, to 2,232,000 in 1865.

As in previous years there was an increase in the number of valentines transmitted through the Post Office, the number posted in London having risen from 494,700 in 1863, and 530,300 in 1864, to 542,000 in 1865. As in former years nearly one-fourth of the whole number of valentines posted in London, were posted in the Western District. It is also worthy of note, that the valentines sent from London to the country were more than twice as numerous as those sent from the country to London.

The correspondence with Foreign countries and colonies continued to increase during the year, but the increase calls for no special comment.

The number of returned letters rose from 2,864,000 in 1863, and 3,154,000 in 1864, to 3,518,000 in 1865. It is estimated, however, that among the returned letters of 1865 were upwards of 50,000 circulars issued by agents and committees at the general election. Under these circumstances, the increase in the number of returned letters was not more than proportionate to the general increase of correspondence, whilst the proportion which could be satisfactorily disposed of either by retransmission to the addressees or by return to the writers, was greater than in former years.

During the year upwards of 12,000 letters were posted in England and Wales without any address, and, of these, 298 contained cash, notes, bills, and cheques, to the amount in all of 3,700*l*.

### **Books, Papers, Samples, and Patterns.**

The progress of the Book Post calls for no special comment, but it will be seen from the table at page 2 that the business of the Pattern Post increased in 1865 on 1864 by more than 105 per cent.

The following account of the number and variety of the samples and patterns which were transmitted from London to the provinces during the year, and which formed about one-sixth part of the whole number of samples and patterns transmitted through the Post, will best show the growing importance of this branch of Post Office business :—

59,346	Tea.	44	Braid.
36,851	Sugar.		Nets.
16,888	Coffee.	16	Worsted.
9,510	Currants.	208	Embroidery.
206	Cocoa.	18	
130	Pepper.		Furs and Skins.
380	Sago.	32	Feathers.
64	Ginger.	163	Flowers (Artificial).
1,492	Rice.	16	
286	Oil Cake.		Stockings and Socks.
290	Arrowroot.	106	Shirts.
10	Liquorice.	563	Collars.
19	Soap.	22	Gloves.
161	Dried Fruits.	44	Handkerchiefs.
35	Nuts.	26	Braces.
38	Almonds.	4	Vests and Drawers.
17	Nutmegs.	10	Stays.
2	Salt.	3	
10	Tapioca.		Carpets.
6	Mustard.	471	Druggets.
6	Chocolate.	31	Cocoa Fibre.
		445	Kamptulicon.
10,561	Hops.	34	Oil Cloth.
5,255	Seeds.	63	Leather Cloth.
4,626	Corn.	21	
231	Peas.		Cloth (Woollen).
135	Beans.	7,659	Caps (Cloth).
118	Flour.	27	Tailors' Patterns.
12	Bran.	739	Sacking.
23	Oatmeal.	262	
13	Linseed.		Cotton (Raw).
			Silk ( do. )
6,927	Silks.	932	Wool.
2,320	Muslins and Merinos.	38	Hemp.
1,815	Printed Cottons.	7,283	Yarn.
6,308	Drapers' Patterns	132	Flax.
	(Mixed).	21	Felt.
520	Damasks.	87	Jute.
234	Calico.	27	
197	Canvas.	67	Drugs.
4,973	Stuffs.	902	Wax.
31	Ribbon.	70	Glue.
68	Velvet.	161	Indigo.
498	Flannel.	179	Gum.
230	Trimnings.	273	Rosin.
113	Lace.	30	Red Lead.
489	Linen.	18	Isinglass.
72	Capes.	18	Bark.
3	Shawls.	13	Shellac.
2	Towels.	235	Pitch.
21	Elastic.	3	Black Lead.
1	Tape.	116	Oil.
9	Curtains.	5	Colours.
3	Cambric.	15	Materials for effe-
9	Jackets (Ladies).	44	rescing drinks.
17	Cotton Cords.		

Were samples of

Were samples of

3	Soda.	7	Slippers.
65	Cochineal.	41	Tobacco.
2	Alum.	23	Cigars.
2	Camphor.	3	Snuff.
1	Pastiles.	11	Pipes.
15	Tallow.	19	String.
2	Candles.	33	Thread.
207	Iron.	28	Rope.
13	Tin.	113	Wood.
12	Lead.	40	Wood Moulding.
10	Zinc.	9	Printers Blocks.
13	Steel.	5	Fancy Boxes.
201	Brass.	1	Mouse Traps.
33	Screws.	2	Shoemakers' Lasts.
33	Keys.	2	
23	Locks.	2	Glass.
15	Rings.	43	China and Earthen-ware.
5	Buckles.	3	Porcelain.
4	Copper.	15	Brushes.
6	Copper Plates.	6	Combs.
30	Wire.	69	Biscuits.
4	Iron Tubing.	96	Lozenges.
5	Nails.	20	Preserved Meat.
7	Door Handles.	4	Sugar Candy.
12	Rules for Measuring.	313	
3	Chains.	10	Corks.
16	Pens.	3	Cork Soles.
2	Files.	29	Flower Roots.
12	Type.	7	Herbs.
2	Spoons.	19	Moss.
8	Knives.	7	Indian Corn.
9	Seals.	7	
47	Dies.	115	Shells.
5	Taps.	17	Hair.
7	Buttons.	2	Rushes.
7	Hooks.	2	Guano.
1	Scissors.	2	Marble.
4	Weighing Machines.	6	Pencils.
1	Glaziers Diamonds.	3	Fishing Tackle.
1	Small Lamps.	1	Cricket Balls.
28	Beads.	3	Gold Leaf.
3	Hinges.	2	Catgut.
1	Bells.	14	Greaves.
7	Ivory.	1	Hay.
4	Shirt Studs.	14	Purses.
1	Earrings.	5	Sponges.
1	Silver Knives.	4	Razor Stropps.
167	Leather.	5	Felt Hats.
37	Gutta-percha.	6	Lamp Cottons.
235	India-rubber.		
93	Boots and Shoes.		

Were samples of

Were samples of

28	} Were samples of	{ Atlantic Cable.	1	} Were samples of	{ Opera Glasses.		
1			Gun Caps.			1	Blacking.
1			Yeast.			1	Clock Works.
3			Curry Powder.			1	Quadrant.
7			Wadding.			23	Medals.
2			Cement.			13	Grease.
250			Pharaohs' Serpents.			1	Elastic Stockings.
2			Trusses.				

### The Money Order Office.

The increase in the number of Money Order Offices during the year 1865 not only was more than proportionate to the increase in the number of inhabited houses, but was much greater than in each of many previous years. In the 10 years ending on the 31st December 1864, the number of Money Order Offices in the United Kingdom rose from 1,872 to 3,159, there having been an average annual increase of 129 offices. In the year 1865 no less than 295 additional Money Order Offices were opened. Of these many were opened in large towns with a view to afford additional accommodation to the public by lessening the distance between their homes or places of business and a Money Order Office, and with a view also to relieve the chief Money Order Offices by distributing the pressure of Money Order business. Much additional accommodation for the transaction of Money Order business was thus given in Birmingham, Birkenhead, Derby, Leicester, Liverpool, Manchester, Newcastle, Nottingham, Sheffield, Sunderland, Wolverhampton, Worcester, and also in Edinburgh, Glasgow, and Dublin, and a smaller amount of additional accommodation was given to many other large towns.

The following table will afford some illustrations of the extent to which additional Money Order accommodation has been given in certain postal districts of England and Wales, and of the gain accruing to the public from the consequent distribution of the business.

POSTAL DISTRICT.	Number of Money Order Offices.		Amount of Money Orders issued in Year	
	1864.	1865.	1864.	1865.
Birmingham - - - -	31	39	£ 269,640	£ 271,009
Birkenhead - - - -	9	13	55,300	53,187
Derby - - - -	11	14	73,184	75,507
Leicester - - - -	11	16	76,944	80,153
Liverpool - - - -	26	39	551,940	561,386
Manchester - - - -	60	74	491,233	510,401
Newcastle - - - -	8	11	153,914	162,532
Nottingham - - - -	15	18	107,638	109,780
Sheffield - - - -	12	16	146,453	152,180
Sunderland - - - -	3	6	95,544	98,171
Wolverhampton - - -	4	9	72,656	71,697
Worcester - - - -	6	9	50,738	51,296

In the year 1865 the Money Order system was extended to Honduras, St. Kitts, New Brunswick, Tasmania, and Constantinople.

The following table will show the nature and amount of the Money Order business transacted between the United Kingdom and the Colonies and Foreign Parts during the years 1863, 1864, and 1865.

YEAR.	Money Orders issued in United Kingdom for payment in Colonies.		Money Orders issued in Colonies and paid in United Kingdom.	
	Number.	Amount.	Number.	Amount.
1863 - - - -	8,194	£ 31,879	44,720	£ 177,314
1864 - - - -	10,326	40,173	62,590	272,074
1865 - - - -	11,744	44,927	77,732	371,979

It will be seen from the above statement that the increase of business in both directions, and in each of the years 1864 and 1865, was considerable.

Since the commencement of the present year the Money Order system has been extended to Alexandria; its immediate extension to Buenos Ayres, Montevideo, Bahia, Pernambuco, and Rio de Janeiro, is under consideration; and I hope to be able at no distant date to arrange for the extension of the system to France and Prussia.

### Post Office Savings Banks.

It will be seen from the table at page 3, that the depositors in Post Office Savings Banks increased in number during the year 1865 at the rate of 29 per cent., and that the total sum deposited increased at the rate of 30 per cent. These evidences of progress are in themselves sufficiently striking; but the following statement of the business of the banks in the first nine weeks of 1863 (when they had been one year in operation), 1864, 1865, and 1866, will show that the rate of increase in that business is constantly progressive:—

Period.	I. Number of Deposits.	II. Number of Withdrawals.	III. Number of Accounts opened.	IV. Number of Accounts closed.
First nine weeks of 1863	154,224	23,542	37,866	6,312
" " 1864	215,501	39,878	41,892	9,947
" " 1865	258,917	60,690	48,777	14,731
" " 1866	331,027	75,014	58,472	18,569



On an examination of columns III. and IV. in the foregoing table it will be seen that the difference between the number of depositors coming in and the number going out, in the first nine weeks of 1863 was 31,000, which gave a net increase of 15,000 per month; that in 1864 the net increase was still about 15,000 per month; that in 1865 it had risen to 17,000 per month; and that in the first nine weeks of the present year it had mounted up to 20,000 per month. It is evident, therefore, that great as had been the progress of the Post Office Banks up to the close of last year there are good grounds for expecting a greater progress hereafter. And I am happy in being able to state that the scheme which was framed for the conduct of the Post Office Savings Banks, before any one of them was established, has been found to work well in each and all of its parts, and to admit of any expansion of business, no matter how great or how sudden that expansion of business may be. The officers by whom this scheme was framed calculated, as a matter of course, upon a large and constant growth of business; but sudden augmentations, arising from causes which could not be foreseen, have been by no means unfrequent. In the first week of the present year, for instance, no less than 10,000 new depositors entered the banks; but even under such sudden and unexpected augmentations of business the scheme of operations has been found to work well.

In framing this scheme of operations, and in computing its probable cost, it was necessary to take into account, not merely the work which would have to be performed at the commencement of operations, but certain other portions of work which would not require attention for some time, but would press more and more heavily as years went on. It was known, for example, that the withdrawals, which at first would be few in number, must increase largely as the accumulated fund of deposits increased, and they have increased in number, since December 1862, from 12,000 to 37,000 per month. Again, it was known that the "cross entries" (that is entries relating to deposits or withdrawals at banks other than those at which the persons making the deposits or withdrawals opened their accounts) must increase as the number of banks increased, and as depositors became more familiar with their power of using at pleasure, for deposit or withdrawal, any one of the whole number of banks. The number of banks in December 1862, when the system had been one year in operation, was 2,535, it is now 3,321, and the "cross entries" have risen from 5,000 to 25,000 per month. Again, it was well known that the number of deposit books arriving daily for the annual examination must increase with the number of depositors, and with the duration of their accounts. It was known, of course, that on the 16th September 1862, those books which had been issued on the 16th September 1861 would come up for annual examination, that in 1863 those books which had been issued in 1861 and 1862 would arrive, and that in 1864 the books of three years,

and in 1865 the books of four years (excluding, of course, those which had been closed in the interim) would require examination. In December 1862 the number of books coming up for examination was at the rate of 9,000 per month, it is now at the rate of 9,000 per week.

After making due allowance for these and many other prospective additions to the work which would have to be performed at the outset of business, it was computed (before the Bill for the establishment of the Post Office Banks received the sanction of Parliament) that the cost of the banks would be at the rate of 7*d.* for each transaction, *i.e.*, for each deposit or each withdrawal, the cost for each transaction in the old Savings Banks having ranged from 10*d.* to 1*s.* This estimate of cost, which was submitted to Parliament, and printed in paper 523 of the Session of 1861, has never been exceeded, the total cost of the Post Office Savings Banks up to the close of last year, that is after rather more than four years of actual work, having been at the rate of 6 <sup>2</sup>/<sub>0</sub>*d.* for each transaction.

The following is a comprehensive statement of the business of the Post Office Savings Banks from the commencement of operations to the close of last year, of the cost of that business year by year, and of the funds in hand at the close of each year, and applicable to the payment of the balances due to depositors if such payment had been demanded.

PERIOD.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
	Number of Post Office Savings Banks at close of Period.	Number of Deposits received during Period.	Total Amount of Deposits received during Period.	Average Amount of each Deposit received during Period.	Number of Withdrawals during Period.	Total Amount of Withdrawals during Period.	Average Amount of each Withdrawal during Period.	Charges of Management during Period.	Average Cost of each Transaction, viz., of each Deposit or Withdrawal.	Number of Accounts opened during Period.	Number of Accounts closed during Period.	Number of Accounts remaining open at close of Period.	Total Amount standing to credit of all open Accounts, inclusive of Interest, to close of Period.	Average Amount standing to credit of each open Account at close of Period.	Total Sum standing to credit of Post Office Savings Banks on Books of National Debt Commissioners at close of Period.	Balance in hands of Postmaster-General, after allowing for Charges of Management, at close of Period.	Total Balance in hand, applicable to payment of Depositors, at close of Period.	Number of Old Savings Banks and Post Office Banks combined, at close of Period.	Number of the Depositors in Old Savings Banks and Post Office Banks combined, at close of Period.
From 16th Sept. 1861 to 31st Dec. 1862.	2,535	639,216	2,114,669	£ s. d. 3 6 2	97,294	438,637	£ s. d. 4 10 2	20,591	6 <sup>1</sup> / <sub>2</sub> %	205,928	27,433	173,493	£	£ s. d. 9 10 3	1,659,032	35,692	1,694,724*	3,137	1,732,555
From 31st Dec. 1862 to 31st Dec. 1863.	2,691	842,848	2,651,209	£ s. d. 3 2 11	197,431	1,027,154	£ s. d. 5 4 0	25,401	7 <sup>5</sup> / <sub>16</sub> %	185,934	44,760	319,669	£	£ s. d. 10 11 4	3,328,182	44,413	3,372,595*	3,594	1,876,389
From 31st Dec. 1863 to 31st Dec. 1864.	3,051	1,110,762	3,350,084	£ s. d. 3 0 3	306,242	1,854,849	£ s. d. 5 18 8	45,856	7 <sup>1</sup> / <sub>16</sub> %	226,153	74,964	470,858	£	£ s. d. 10 12 1	4,985,663	5,522	5,001,185*	3,659	1,967,603
From 31st Dec. 1864 to 31st Dec. 1865.	3,821	1,302,309	3,719,017	£ s. d. 2 17 1	407,412	2,318,610	£ s. d. 5 13 9	49,527	6 <sup>1</sup> / <sub>16</sub> %	239,686	98,725	611,819	£	£ s. d. 10 13 4	6,582,329*	4,327	6,586,656*	3,822	2,075,346
From 16th Sept. 1861 to 31st Dec. 1865.	3,221	3,895,135	11,894,979	£ s. d. 3 0 9	1,011,379	5,619,250	£ s. d. 5 11 1	141,375	6 <sup>1</sup> / <sub>16</sub> %	867,701	245,882	611,819	£	£ s. d. 10 13 4	6,582,329	4,327	6,586,656	3,822	2,075,346

\* These sums do not include the dividends accruing to the Post Office Savings Banks on the 5th January, that is, five days after the close of the account in each year.  
 † The falling off in the cost per transaction during 1863 and the increase in that cost during 1864 are attributable to one and the same cause, viz., to the payment during 1864, of various charges properly belonging to 1863.

It will be seen from the foregoing statement that the total number of depositors in Post Office Savings Banks and Old Savings Banks combined, and throughout the kingdom, had risen at the close of the year 1865 to 2,078,000. The total number of depositors at the end of the year 1855 was 1,304,000, so that there has been in the last ten years an increase of 774,000 in the number of Savings Banks depositors. In the six years preceding the establishment of Post Office Banks there was an increase of 305,000 (or an increase of 50,000 per annum) in the number of depositors; but in the four years following the establishment of Post Office Banks there has been an increase of 468,000 (or an increase of 117,000 per annum) in their number. It may then fairly be stated that the Post Office Savings Banks have more than doubled the rate of increase in the number of Savings Bank depositors.

### **Government Insurances and Annuities.**

The Government Insurances and Annuities Act, which was entitled "An Act to grant additional facilities for the Purchase of small Government Annuities, and for assuring Payments of Money on Death," received the Royal assent on the 14th July 1864, but it was provided by the 6th and 7th clauses of the Act that the Act should not come into operation until the tables of premiums, together with a statement of the rules observed in constructing them, had been laid before both Houses of Parliament for a period of thirty days.

The tables of premiums, with a statement of the rules observed in their construction, were submitted to Parliament by the Commissioners for the Reduction of the National Debt, under whose superintendence they were framed, in February 1865, and at the same time the regulations which the 16th clause of the Act empowered me to make for the purpose of carrying out its provisions, so far as my department was concerned, were laid before both Houses.

These regulations are printed in the Appendix to this Report, in which I have also thought it right to insert the statement of the rules observed in constructing the tables, and some remarks explanatory of the tables, which were made on behalf of the National Debt Commissioners when the tables were submitted to Parliament.

I now propose to show what are the principal rules of the Government Insurance and Annuity Office, under the above-cited Act, and the regulations formed in accordance therewith, and to give some brief illustrations of the premiums charged for the Insurance of Lives and the grant of Annuities.

#### **PRINCIPAL RULES OF THE GOVERNMENT INSURANCE AND ANNUITY OFFICE.**

1. The Postmaster-General is empowered, under the Act 27 & 28 Victoriae, cap. 43, to insure the lives of persons of either sex, between

the ages of 16 and 60, for not less than 20*l.* or more than 100*l.* He is also empowered under the same Act to grant Immediate or Deferred Annuities of not more than 50*l.* on the lives of persons of either sex, and of the age of 10 years and upwards. The persons whose lives are insured, or to whom Annuities are granted, by the Postmaster-General, have direct Government security for the payment of the money at the proper time.

2. Certain Post Offices (the names of which may be obtained at any Post Office) have been opened for the receipt of proposals for the Insurance of Lives and the purchase of Annuities, and forms of proposal, with full instructions for filling up and delivering these forms, may be obtained at these Post Offices.

3. Tables of the premiums to be charged for the Insurance of Lives; for the grant of Immediate Annuities; for the grant of Deferred Annuities or Deferred Monthly Allowances, without return of purchase money, and for the grant of Deferred Annuities or Deferred Monthly Allowances, with return of purchase money, have been printed, and may be seen at the Post Offices which have been opened for the receipt of proposals.

4. The premiums to be charged for the Insurance of Lives vary with the ages of the persons whose lives are to be insured, and with the mode in which they are to be paid.

The life of a Man or Woman in his or her 30th year may be insured for 100*l.*—

	£	s.	d.
By a single payment of - - -	43	3	7
or,			
By an annual payment, throughout life, of -	2	6	7
By a quarterly payment, throughout life, of	0	13	0
or,			
By a monthly payment, throughout life, of -	0	4	4
or,			
By a fortnightly payment, throughout life, of	0	2	2
or,			
By an annual payment, until the insured person reaches the age of 60, of - - -	2	13	10
or,			
By a quarterly payment, until the insured person reaches the age of 60, of - - -	0	15	0
or,			
By a monthly payment, until the insured person reaches the age of 60, of - - -	0	5	0
or,			
By a fortnightly payment of - - -	0	2	6

Smaller sums may be insured by proportionate payments, but no one of the periodical payments must be of less amount than two shillings.

5. No one life can be insured for less than 20*l.* in the whole; but when a life has been insured for 20*l.*, further insurances may be effected on the same life from time to time, for any amount, until the whole sum for which it is insured amounts to 100*l.*

6. If, after having duly made his payments for a period of five years, the insured person shall be unable to continue, or shall desire to discontinue, such payments, a portion of the premiums paid by him, which portion will in no case be less than one-third of the whole sum paid by him, will be returned to him.

7. The sums to be charged for the purchase of Immediate Annuities will vary with the age and sex of the person on whose life the Annuity is to depend :—

	£	s.	d.
A Man aged 65 can purchase an Immediate Annuity of 10 <i>l.</i> , payable half-yearly, for - - -	88	18	4
A Woman of the same age can purchase a like Annuity for - - -	103	16	8
A Man aged 70 can purchase an Immediate Annuity of 10 <i>l.</i> , payable half-yearly, for - - -	73	3	4
A Woman of the same age can purchase a like Annuity for - - -	84	19	2

8. The sums to be charged for the purchase of Deferred Annuities, or Deferred Monthly Allowances, will vary with the age and sex of the person on whose life the Annuity or Monthly Allowance is to depend; and with the length of the term for which the Annuity is deferred (or, in other words, with the number of years which are to pass before the commencement of the Annuity), and with the conditions of the contract as to the mode of purchase, mode of payment, and return or non-return of purchase money.

When the condition of the contract is to be that no part of the purchase money shall, in any event, be returned:—

	£	s.	d.
A Man aged 30 may purchase a Deferred Annuity of 10 <i>l.</i> , to commence on his reaching the age of 60, and to be payable half-yearly, either by an immediate payment of. - - -	24	3	4
or,			
By an annual payment, until he reaches the age of 60, of - - -	1	8	4
A Woman of like age may purchase a like Annuity by an immediate payment of - - -	32	8	4
or,			
An annual payment, up to 60, of - - -	1	17	6

and a Man aged 30 may purchase a Deferred Allowance of 2*l.* 7*s.* 3*d.* per month, to commence when he reaches the age of 60, by a payment until he reaches that age, of 8*s.* per month; and a Woman of like age may, by a like payment of 8*s.* per month, purchase a Deferred Allowance of 1*l.* 16*s.* 7*d.*, to commence when she reaches the age of 60.

When the condition of the contract is to be that, in the event of the death of the person on whose life the Annuity or Allowance is to depend before the commencement of the Annuity or Allowance, the purchase money is to be returned to his representatives, and that if the purchaser at any time before the commencement of the Annuity or Allowance is unable to continue, or wishes to discontinue, the purchase, the purchase money shall be returned to him; the price charged will be higher than when no such condition is made.

	£	s.	d.
Under this condition, a Man aged 30 may purchase a Deferred Annuity of 10 <i>l.</i> , to commence when he attains to 60 years of age, and to be payable half-yearly, either by an immediate payment of -	40	9	2
or,			
By an annual payment, until he attains to 60 years, of - - -	2	0	10
And a Woman of like age may purchase a like Annuity, either by an immediate payment of -	47	0	10
or,			
By an annual payment of - - -	2	7	6

and a Man aged 30 may purchase an allowance of *1l. 14s. 2d.* per month, to commence when he attains the age of 60 years, by a monthly payment of *8s.*; and a Woman of like age, by a like payment, until she reaches the age of 60 years, may purchase an allowance of *1l. 9s. 4d.* per month.

9. The Annuity or Monthly Allowance granted on any one life must not exceed *50l.* per annum, or *4l. 3s. 4d.* per month; but purchasers need not purchase the whole amount of such Annuity or Allowance at one time. They may begin by purchasing such part as they can afford to purchase, and go on increasing their purchases from time to time as their circumstances will permit.

10. Husband and Wife may each be insured to the full amount of *100l.*, and may each purchase an Annuity of *50l.* or a Monthly Allowance of *4l. 3s. 4d.* Any two persons may purchase an Annuity on their joint lives, with continuance of the Annuity to the survivor.

11. Persons contracting for the Insurance of their Lives, or for the purchase of Annuities or Monthly Allowances, will be allowed to pay their periodical premiums or instalments of purchase money at such of the Post Offices, which have been or may hereafter be opened for the purpose, as will suit them best.

12. Persons proposing to effect insurances on their lives, or to purchase Deferred Monthly Allowances, must provide at their own cost such certificates of birth or baptism, or other evidence of age, as shall be required from them, but will not be required to pay any fee for medical examination, or to pay the cost of any inquiry which the Postmaster-General may think fit to make with regard to their health, habits, age, and occupation, or to pay any fee for the issue of any contracts which may be made in accordance with their proposals, or to pay any postage for the transmission of their proposals, or for the transmission of any correspondence arising out of such proposals between them and the Postmaster-General, inasmuch as a provision for all such costs and charges is included in the premiums which they will be required to pay, in accordance with the Tables framed for the purpose for the Insurance of their Lives or the purchase of Deferred Monthly Allowances.

Persons proposing to purchase Immediate or Deferred Annuities, payable half-yearly, must provide at their own cost such certificates of birth or baptism, or other evidence of age as shall be required of them; and, inasmuch as the premiums fixed by the Tables framed for the grant of such Annuities do not include any provision for costs and charges, must pay, at the time of purchase, a fee of *1s.* for every *1l.* of Annuity purchased.

The foregoing statement shows what are the chief provisions of the Act, and the regulations framed under the Act, and the following statement of the course taken by the Post Office for the purpose of giving effect to these provisions will, I trust, show on the one hand that due facilities are given to intending insurers and annuitants, and, on the other hand, that proper precautions have been taken for the protection of the State against fraud.

Forms of proposal are obtainable at almost every Money Order Office in England and Wales. Full instructions for the filling up of these forms are printed on the forms themselves, which are thereby increased in size, and made to present a somewhat formidable appearance; but in practice, the forms present no

difficulty to the proposers. The instructions for the preparation of the forms of proposal must, I think, be clear and serviceable, since, although proposals have come from all sections of the community, not one proposal, from the very outset of business until now, has been incorrectly filled up.

When a proposal for Life Insurance, or for the purchase of an Annuity has been made in accordance with the instructions printed on the forms for such proposals, and when the declaration at the foot of the form has been duly signed in the presence of a postmaster, or other officer of the department, in the manner prescribed by the 3rd and 18th clauses of the Regulations; and when the form of proposal has been transmitted to the Chief Office by the Postmaster, or other officer, with whom it is deposited, and in the proper form of report, the receipt of the proposal is acknowledged and the proposal is recorded.

In the record of proposals for Life Insurance, space has been provided for noting the name and address of the proposer, the date and place of his birth, his age, and the nature of his proposal. A space has also been provided for noting the dates of the references to private friends and employers, and to the medical examiner, and for noting the dates of the replies to such references. Further space has been provided for noting the dates of rejection or acceptance of the proposal, the dates of issue of contracts, the amounts of the premiums to be paid, and the terms and periods of payments. Space has also been provided for noting the date of breach of contract in case of default, and the date of renewal after such default. Lastly, space has been provided to record the dates of death of insured persons, and of the payment to their representatives of the sums insured, and to insert a statement of the actual duration of the insured person's life from the date of the contract as compared with the term during which he was expected to live when the contract was made.

The record of the proposals for the purchase of Annuities is prepared on a similar plan, but provides, of course, for the entry of somewhat different particulars.

Each page of either book contains sufficient space for the entry of all particulars relating to two proposals; the spaces for the record of the proposals are numbered consecutively, and when a proposal is recorded in any one of these spaces a number corresponding with the number in the record is placed on the Proposal Form, and on all the forms used for the inquiries arising out of that proposal. The proposals are also indexed alphabetically under the names of the proposers.

On the receipt of a proposal for Life Insurance the officers entrusted with the conduct of the business proceed to make the prescribed preliminary inquiries as to the proposer's age, health habits, and occupation, and note the dates of their references and of the replies thereto in the Proposal Record as they proceed.

Having obtained replies to the prescribed references, and if the replies be satisfactory, they direct the proposer, by a letter, to



present himself for examination by a medical man living near to the proposer, and who will effect the examination at a time convenient to the proposer. If the report of the medical examiner be not altogether satisfactory, or if there be anything in it or in the replies to the previous references, or in the proposer's own statements, which tend to raise a doubt as to the propriety of accepting the proposal on the ordinary terms, the papers are sometimes referred to the medical officer of the Department for his advice, but as a general rule such further reference is unnecessary. The acceptance or rejection of a proposal as a rule depends upon the replies to the preliminary references, and upon the result of the medical examination. To carry the inquiry further in every case would lead to a vast expenditure of time and labour for no useful purpose, but in cases of doubt and in cases in which it may be desirable to accept the proposal on condition of more than the ordinary premium being paid, further advice is valuable and is obtained.

I believe that under the system of inquiry which has been described we run but little risk of being led into the acceptance of proposals which a well regulated insurance office would desire to reject.

By means of our preliminary inquiries we obtain very important information as to the habits, health, and occupation of the proposer, and ascertain with a close approximation to certainty whether he has been temperate, whether his occupation has at any time been prejudicial to health, and whether during the two years preceding the date of his proposal he has been prevented by ill health from following his business or occupation.

The forms of inquiry are so framed as to furnish us with the means of identifying the person whose life is to be insured with the subject of our inquiries and with the person who at our instance submits himself for medical examination. That examination is, I believe, sufficiently searching, and affords a valuable protection. The Department has indeed been urged to dispense with medical examination, but I cannot think that the grounds on which this proposition has been made are tenable. On the contrary, I am of opinion that the arguments which are adduced to prove that medical examination is valueless, do in reality furnish a conclusive proof that it is valuable.

The effects of medical selection, and the extent to which it protects insurance offices have for some time been well understood. It protects insurance offices against the fraudulent presentation of bad lives and against the acceptance of lives, honestly presented, which are actually attacked by disease of a fatal character.

Eminent statisticians have reported that the protective effects of medical selection do not last for more than two or three years, and that after a period of two or three years the selected lives fall into the common average of life throughout the country. From this well-ascertained fact it has sometimes been inferred

that medical selection is of no value, but I can see no ground for this inference. It is true, doubtless, that the protective effects of medical selection are not permanent, but while they endure they are valuable. They are not permanent because the conditions of life are not permanent, and because changes of condition which cannot be foreseen by a medical examiner may after a while prejudicially affect the lives of the persons whom he examines. Of every 100,000 persons now living, a certain number will die in each succeeding year from the present time, until all are dead. Of those who will die within the present year many are now dying, whilst many more have the seeds of fatal disease present and visible within them; of those who will die within two years from this time, a smaller number are moribund, and a smaller number are sick at this moment; of those who will die within three years from this time, the majority are to all appearance in sound health. If these 100,000 persons were submitted to medical examination, it is highly probable that the medical examiners would at once detect a large proportion of those who will die in the first year, and a considerable, though a smaller proportion, of those who will die in the second year. It is probable also that they would detect but few of those who will die in the third year; and hardly any, if any, of those who will die in the fourth year. But their inability to detect many of those who will die in the third year, or any of those who will die in the fourth, does not render it the less desirable that they should exercise their power of detecting those who will die in the first or second years, especially as it is probable that those who will die within the first two years will be more anxious than the rest of the community to effect insurances on their lives, and certain that if their lives be insured they will contribute a very trifling sum to the fund of the insuring office. I think it is highly probable that the Post Office will from time to time be urged to dispense with medical examination, and I have therefore thought it right to put on record the reasons which have led me to conclude that the results of a compliance with such a request would be exceedingly disastrous. To dispense with medical examination would in fact be to invite proposals from the moribund and the sick throughout the country; and I cannot think it desirable that such an invitation should be given. Some insurance companies, indeed, have dispensed with medical examination, but have been forced to protect themselves in a different way, by a provision that in the event of the death of an insured person within a certain period from the date of the insurance, no benefit shall accrue to his representatives. It seems to me that these exceptions to the rule prove the value and soundness of the rule, and supply all that is wanted to complete my argument.

If the proposal be for the purchase of an annuity, the officers entrusted with the conduct of the business make the prescribed inquiries as to the age of the person on whose life the annuity is to depend.

When the officers entrusted with the conduct of the insurance and annuity business have thus collected all the required information with regard to a proposal for the insurance of a life or the purchase of an annuity, they take instructions from the secretary as to the acceptance or rejection of the proposal.

When it is decided to issue contracts for the insurance of lives or the grant of annuities, and when the rates of premium or purchase money have been assessed in accordance with the prescribed tables, the contracts are executed, and sent to the Receiver and Accountant-General, who makes a record of the premiums which he will thenceforth have to collect, and then transmits the contracts to the postmasters at whose offices the proposers have desired to receive them. At these offices the premiums are thenceforth payable, unless the holders of the contracts give notice of their desire to pay them at some office more convenient to themselves.

It has sometimes been stated that the arrangements of the Post Office for the issue of policies of insurance and the sale of annuities are peculiarly complicated, and that their complexity is likely to lead to a tedious and unnecessary delay; but the foregoing observations will show that this statement has been made under a misapprehension of the case. As a rule, insurances are effected within a week from the date of the proposals, and at a minimum of inconvenience to the proposer, who has merely to submit himself to examination by a medical man residing in his immediate neighbourhood, and to attend twice at the nearest Money Order Office, *i.e.*, once, that he may sign and deliver his proposal, and next, that he may receive his contract. It is not probable that business of this kind can anywhere be conducted in a more rapid or more simple manner.

The scheme which has thus been described was brought into operation at a small number of offices in England and Wales on the 16th April 1865, and it has subsequently been generally extended throughout England and Wales, but it has not yet been extended to Ireland and Scotland. I hope, however, immediately to extend it to a small number of towns in each of these countries.

At the outset of operations the Post Office was met by the difficulty which it had had to encounter on the first establishment of Post Office Savings Banks, *viz.*, the difficulty of making known the nature and advantages of the scheme to the persons for whose benefit it was intended. In the case of the Post Office Savings Banks a long period, a period of many months, elapsed before the great mass of the population could be made aware even of the existence of such institutions. The press and many private individuals lent to the department a cordial and powerful aid in the promulgation of the rules and advantages of the Post Office Banks, nor has this aid been withheld from the Government Insurance and Annuity Office. But it was impossible for this aid to be so immediately effectual in the latter as in the former case.

Much more persistent efforts are required for the satisfactory explanation of the system and the advantages of Life Insurance, than for making known the nature and the benefits of a Savings Bank; nor is it so easy to persuade men into an economy from which, at some distant date, their relatives may derive a benefit, as to persuade them to lay by money for their own use and benefit. Under these circumstances it was not to be expected, nor did I expect, that the business of the Government Insurance and Annuity Office would progress with great rapidity; but I did anticipate that this business would, in the course of years, as the working classes became acquainted with the principles and merits of the scheme, attain to a considerable magnitude, and I am happy in being able to report that there are already indications, apart from the actual amount of business transacted, that my expectations will be realized. In the first place, I may state that no day has passed since the commencement of business without the arrival of fresh proposals for the Insurance of Lives or the purchase of Annuities. A business which is so constantly accumulative cannot fail to become one of magnitude and importance. In the next place, I am glad to perceive that a continually increasing proportion of the proposals comes from the poorer classes of the community. This result was to be anticipated. As the advantages of the Post Office Savings Banks became more and more widely known to the poorer classes, the average amount of each deposit fell from 3*l.* 6*s.* 2*d.*, the average amount at the outset of operations, to 2*l.* 17*s.* 1*d.*, the average amount at the present time. Concurrently with the decrease in the average amount of each deposit there has come an increase in the number of depositors. A like cause is gradually producing a like result in the business of the Insurance and Annuity Office; but much more must be done, and much time must elapse before the principles and benefits of the scheme are generally understood and appreciated.

The table at page 3 shows how far the public had availed themselves of the facilities by the Government Insurances and Annuities Act up to the close of the year 1865; and the following statement will show the whole amount of business transacted up to the present time, *i.e.* in one year from the commencement of business.

## INSURANCES.

	No.	Amount.
		£
Proposals received and accepted - - -	809	60,874
„ declined - - - - -	61	4,292
„ dropped - - - - -	35	2,702
„ under consideration - - - - -	29	2,289
	934	70,157

Of the whole number of persons whose proposals have been accepted,—

501	decided to pay their premiums	-	annually.
20	”	-	half-yearly.
81	”	-	quarterly.
5	”	-	six times a year.
181	”	-	monthly.
3	”	-	fortnightly.
			and

18 have paid their premiums in one sum.

Of the whole number of persons who have commenced to pay premiums, 8 have allowed their policies to lapse by default, and 14, having defaulted, have on application been re-admitted. In no case, however, have I found it necessary to impose the prescribed fine for default.

The total sum insured at the present time is 60,874*l.*, and the gross annual premium income, exclusive of the sums received in single payments, is 1,924*l.*

Of the whole number of proposers, 866 have been males, and 68 females. In a very few cases it has been necessary to charge an extra premium for extra risk, arising out of somewhat defective health; and in the case of a few married women, who were pregnant at the date of the insurance, it has been thought right to add to the first premium, but only to the first premium, a special premium of 10*s.* per 100*l.* to cover the risk attendant on confinements.

*No deaths have occurred up to the present time amongst the persons insured.*

#### ANNUITIES.

Since the commencement of business, 238 proposals for the purchase of Annuities have been received; of these, 4 have been dropped, 4 are under consideration, and 230 have been accepted. Of the proposals which have been accepted, 150 have been for the purchase of Immediate Annuities, the amount of annuity purchased being 3,430*l.*, and the purchase money being 39,774*l.* Of the remainder, 15 were for the purchase, by immediate payments, of Deferred Annuities, the amount of deferred annuity purchased being 232*l.*, and the amount of purchase money paid down being 1,543*l.* The remainder, 65, were for the purchase of Deferred Annuities by annual or more frequent payments, the amount in course of purchase being 1,368*l.*, and the amount of purchase money annually payable being 759*l.* Of the 238 intending annuitants, 103 were males and 129 were females. The remaining six proposals were for Insurances on Joint Male and Female Lives.

While the Government Insurance and Annuity Act was under consideration by the Legislature, an opinion was expressed that Friendly Societies which had undertaken to provide, in return for a single subscription, sick pay, old age pay, and death pay, would do well to make arrangements for the transfer of their

old age and death risks to the Government, by payment, of course, of a proper consideration, and to confine themselves to dealing with the liabilities contingent on sickness. I have recently received a proposal from a large Friendly Society for the transfer of its old age risks to the Government, and the terms of the arrangement are now under consideration. I am informed, moreover, that other proposals of this kind are likely shortly to be made.

On the whole, I am able to conclude my observations on this subject by stating, that the scheme framed for the conduct of insurance and annuity business has worked smoothly and well; that the checks established for the protection of the Government have hitherto proved sufficient for their purpose; that the advantages of the measure are gradually becoming known to the classes for whose benefit it was devised; and that, looking to all the circumstances of the case, and the steady and continued growth of the business, the success of the measure may be regarded as established.

### **Revenue and Expenditure.**

The following tables give, in considerable detail, the particulars of the actual expenditure (inclusive of the cost of Mail Packets), and of the gross and net revenue, and of the total effective and non-effective force of the Post Office, in each of the ten years from 1856 to 1865.

The cost of the Post Office Savings Banks, and the cost of the Insurance and Annuity Office, which are not chargeable on the Post Office, are excluded from the following table, and separately stated, so far as the Savings Banks are concerned, at page 22, and, so far as the Insurances and Annuities are concerned, in the Appendix.

Force and Expenditure.

Date.	FORCE.		COST OF COLLECTION AND DELIVERY, OF MANAGEMENT, and of MONEY ORDER BUSINESS.										COST OF CONVEYANCE OF MAILS.					TOTAL COST OF POST OFFICE SERVICE.
	Effective.	Non-Effective.	Salaries, Wages, Pensions, Travelling Allowances, Foundries on Sale of Stamps, Commission on Money Order Business, Cost of Uniform Clothing, Medical Expenses, and Cost of Substitutes during Annual Holidays or Stakes of Officers and Men, Official Postage, Law Charges, and incidental Expenses.	Manufacture of Postage Stamps, &c., Printing, Paper, and Miscellaneous Charges.	Stationery.	Buildings and Repairs, Rents, Rates, Taxes, Fuel, and Light.	Total Cost of Collection, Delivery, and Management, and of Money Order Business.	Conveyance by Coaches, Carts, and Omnibuses.	Conveyance by Railways.	Cost of Supply and Repair of Mail Bags and Boxes, Tolls and Rerriages, Cost of Apparatus for Exchange of Bags conveyed by Railway, and Miscellaneous Expenses.	Conveyance of Mails by private Ships and by Packets under Contract with Admiralty or Post Office.	Conveyance of Mails over Isthmus of Panama and Isthmus of Panama, and in other Foreign Ports, and Salaries of Admiralty Agents and other Officers in charge of Foreign and Colonial Mails.	Total Cost of Conveyance.					
1866	25,180	427	1,021,656	18,028	29,129	50,267	1,119,104	141,325	37,363	15,592	759,677	26,331	1,513,628	2,438,732				
1867	23,545	481	1,033,667	19,833	33,317	44,863	1,131,510	147,177	42,943	19,544	829,897	28,060	1,430,091	2,570,901				
1868	24,166	501	1,075,217	17,988	33,493	93,870	1,290,568	145,316	545,073	18,997	935,983	28,371	1,673,850	2,894,418				
1869	24,608	539	1,107,656	20,094	35,332	108,273	1,299,540	147,905	428,647	24,290	948,633	28,730	1,577,600	2,997,160				
1800	25,192	765	1,140,396	19,177	42,174	69,215	1,298,948	130,368	400,223	26,985	869,952	26,047	1,567,175	2,831,137				
1801	25,376	868	1,214,303	19,414	34,731	84,702	1,344,200	152,568	655,046	25,080	940,657	33,071	1,507,211	3,161,411				
1862	25,285	927	1,249,988	19,261	31,365	84,795	1,394,689	132,280	526,066	23,393	821,067	24,700	1,547,466	2,982,993				
1863	25,462	1,017	1,254,605	18,465	32,132	81,548	1,396,820	149,333	538,512	20,189	837,635	29,542	1,575,331	2,962,961				
1864	25,637	1,131	1,292,945	19,750	32,561	89,750	1,414,988	145,089	565,812	21,807	900,610	29,943	1,663,311	3,078,297				
1865	25,083	1,274	1,236,153	22,054	32,396	76,381	1,494,944	140,517	523,220	22,390	799,309	25,786	1,516,142	2,941,066				

Gross and Net Revenue.

Year.	Gross Revenue from Letters, Books, Packets, &c.	Money Order Commission.	Gross Revenue collected by the Post Office.	Produce of the Impressed Stamp on Newspapers collected by Inland Revenue Office.	Total Postal Revenue.	Total Cost of Post Office Service.	Net Revenue.
	£	£	£	£	£	£	£
1856	2,764,006	103,548	2,567,954	168,000	3,035,964	2,458,733	567,232
1857	2,928,858	106,855	3,035,713	168,000	3,195,713	2,870,501	624,812
1858	2,975,930	111,596	3,067,526	164,000	3,241,526	2,894,418	347,117
1859	3,197,258	116,417	3,313,675	148,840	3,461,924	2,907,169	554,764
1860	3,267,663	121,693	3,389,356	141,810	3,531,165	2,831,137	700,028
1861	3,402,691	127,966	3,530,657	134,871	3,665,128	3,161,411	503,717
1862	3,496,635	136,984	3,633,629	130,415	3,764,044	2,632,095	831,909
1863	3,730,073	144,226	3,874,299	125,156	3,999,455	2,982,051	1,017,404
1864	3,957,947	151,979	4,109,926	132,632	4,231,558	3,076,297	1,153,261
1865	4,142,066	167,113	4,299,199	134,409	4,423,608	3,941,086	1,482,522
Average Net Revenue of first Five Years							
							£
							—
		second ditto					£
							1,001,762



The foregoing tables show that the force of the department has been largely increased during the past ten years; that the emoluments of the force have undergone considerable improvement; and that, with a view to meet the just requirements of the public for increased accommodation, all parts of Post Office expenditure have been augmented. The tables also show that whilst the actual cost of the department has been largely increased, it has continued to bear a less and less proportion to the revenue, and has fallen from 81 per cent. of the gross revenue in 1856 to 66 per cent. of the gross revenue in 1865. The tables further show that the net revenue of the department, which was rather less than 600,000*l.* in 1856, bordered very closely upon 1,500,000*l.* in 1865.

It is right that I should here declare, both for my predecessors and myself, that this satisfactory result has not been brought about by any special effort to produce a revenue from the Post Office. It was their practice, and it has been mine, to extend Post Office accommodation wherever such extension seemed to be required, and to incur any reasonable expense for the attainment of an adequate public good. If in the course of this prolonged and systematic endeavour to promote the public advantage we had not frequently declined to incur an expense which seemed likely to purchase no commensurate benefit for the public, it is more than probable not only that there would have been no surplus revenue to exhibit, but that there would have been no funds for the carrying out of many measures by which in the past ten years the whole community has been benefited.

Whilst, however, the net revenue of the Post Office has not resulted from any special effort to make the Post Office a revenue-producing department, but is attributable partly to the growing magnitude and prosperity of the population, and partly to the measures which have been employed to develop and promote correspondence, it has gradually and quietly grown to be a not insignificant item in the total revenue of the country. It is, moreover, an item of taxation which it would be impossible to replace by any less onerous or disagreeable impost.

The steady growth of Post Office business during a long series of years gives us every reason to expect that if the prosperity of the country be not diminished the Post Office may, without sparing any effort to satisfy the just wants of the public, or to keep pace with the growing desire for improvement, produce in a few years a net revenue nearly equal in amount to the present produce of the income tax. So long as the net revenue of the Post Office continued to be either a little less or a little more than half a million, the statement, so frequently made, that the Post Office *ought not* to be a source of revenue, did not demand immediate or careful examination, but under the strong probability that this net revenue may, at no very distant date, attain

the proportions which I have anticipated for it, it is well to point out that it would be difficult, if not impossible, to devise any mode of raising a public income less burdensome or more equitable in its operation than that which exacts no payment without giving a service in return, and which is not open to the appellation of a tax.

I have the honour to be,  
My Lords,  
Your Lordships' obedient Servant,  
STANLEY OF ALDERLEY.

General Post Office,  
*March* 1866.

# APPENDIX.

## APPENDIX A.

### REGULATIONS RESPECTING GOVERNMENT INSURANCES AND ANNUITIES.

The following REGULATIONS are made under the AUTHORITY of the Act of Parliament 27th and 28th Vict. c. 43, intituled "An Act to grant additional Facilities for the Purchase of small Government Annuities, and for assuring Payments of Money on Death."

Hours and Places of Business.

1. Every Post Office, being a Money Order Office, at which the Postmaster General shall permit Proposals for the Insurance of Lives or the purchase of Government Annuities to be received, shall be open for such purpose, and for the receipt of the Premiums becoming due to the Postmaster General from time to time under Contracts for the Insurance of Lives or the purchase of Government Annuities, and for the payment of any sums which shall become payable by the Postmaster General under the said Contracts, during the hours appointed for the transaction of Money Order business at the said Post Office.

Any Office, not being a Money Order Office, at which the Postmaster General shall permit such Proposals or Premiums to be received or such payments to be made, shall be open for such purposes during such hours and on such days as the Postmaster General shall determine.

Terms of Proposals for the Insurance of Lives.

2. At the Offices appointed for such purposes by the Postmaster General, Proposals shall be received for the Insurance of Lives,—

- I. By payment of a Single Premium;
- II. By payment of a Premium annually throughout the whole life of the person insured;
- III. By payment of a Premium once in every six months, or once in every three months, or monthly (that is, once in each calendar month), or fortnightly (that is, twice in each calendar month), or weekly (that is, four times in each calendar month), throughout the life of the person insured;
- IV. By payment of a Premium annually until the person insured shall have attained the age of 60 years;
- V. By payment of a Premium once in six months, or once in three months, or monthly, or fortnightly, or weekly, until the insured person shall have attained the age of 60 years;

but no such Proposal shall be received from or on behalf of any person under the age of 16 years, or over the age of 60 years, or for the payment of any Premium of less amount than two shillings, or for the insurance of more than 100*l.* on any one life, or for the insurance of less than 20*l.*, unless the Proposer shall have previously insured his life under these Regulations, in which case he may make further Proposals for the insurance of not less than 5*l.* at any one time, and may repeat such Proposals until the whole sum insured on his life shall amount to 100*l.*, but no longer.

The sums which shall become due under Contracts for the Insurance of Lives shall be paid to the persons who shall be entitled to receive them, immediately after proof, in the manner hereafter to be described, of the death of the persons insured.

Form of Proposal for Insurance of Lives.

3. Every person who shall desire to insure his life for the first time under the provisions of the above-cited Act shall make his Proposal for such insurance on a Form, to be obtained at any Money Order Office, and shall deposit the Proposal at one of the offices appointed by the Post-

master General for the receipt thereof. In this Proposal the Proposer shall specify his Christian name and surname, his occupation, his residence, the date and place of his birth, the sum for which he is desirous of insuring his life, and whether he desires to pay his Premium in a single sum or to pay it by instalments. The Proposer shall also give written answers on the form to the questions contained in the form, shall furnish the Postmaster General with evidence of his age in the manner pointed out on the form, shall furnish in writing on the form the names and addresses of persons from whom the Postmaster General may obtain information as to the Proposer's age, health, habits, and occupation, and shall sign the declaration at the foot of the Form in the presence of an officer of the Postmaster General.

The PROPOSER will be required to furnish EVIDENCE as to his AGE.

If the Proposer be a native of England or Wales, and born after the 30th June 1837, he or she must produce a certificate of birth from the Registrar General at Somerset House, or from the Registrar of the district in which the birth took place. If the Proposer be not a native of England or Wales, or if his or her birth took place before 30th June 1837, or if from any other circumstance he or she be unable to produce a certificate of birth from the Registrar of the district or from the Registrar General at Somerset House, he or she must, if possible, produce a record of birth or baptism from a Parochial or other Register of births and baptisms. When the Proposer is able to furnish either a certificate of birth or a record of birth or baptism as above described, he or she must enclose it in the proper Form. When the Proposer is unable to furnish such certificate or record, he or she must state whether he or she has any other evidence, and, if so, what evidence, to offer in support of his or her statement as to his or her age. To enable the officers of the Postmaster General to identify the Proposer with the person named in the certificate of birth or record of birth or baptism, and to obtain a general confirmation of the Proposer's statements with regard to his or her age and health, the Proposer must furnish the name and address of his or her employer or superior officer (if any) at the date of Proposal, and in the event of the Proposer having served under more than one employer or superior officer the name and address of some one of those under whom he or she has previously served. The Proposer must also furnish the names and addresses of two respectable householders who have for some time been well acquainted with him or her.

FORM of DECLARATION to be signed by the PROPOSER in the presence of a POSTMASTER or other OFFICER of the POSTMASTER GENERAL duly appointed for the purpose.

I do hereby declare that the statements made by me are true to the best of my knowledge and belief, and that I have not withheld or concealed any circumstance with regard to which information has been required from me. I agree that the statements and those which I shall make to the medical referee of the Postmaster General shall be the basis of the proposed Contract for an insurance on my life, and that if it shall hereafter appear that I have wilfully made any untrue statement, or have fraudulently concealed any circumstance which I ought to have made known, then all the Premiums which shall have been paid under the said Contract shall be forfeited, and the Contract rendered absolutely null and void.

4. The said Proposal, thus duly signed by the Proposer, shall be forwarded to the office of the Postmaster General in London by the Postmaster or other officer with whom it is deposited, and the Postmaster General, after examination of the said Proposal, and after inquiry of the persons to whom the Proposer refers him, shall, if he think fit, direct the Proposer to present himself for medical examination by a legally qualified medical practitioner to be named by the Postmaster General.

Proposer to undergo Medical Examination.

5. The Medical Examiner, after examination of the Proposer, shall make his report on the Proposal in a prescribed form, shall require the

Form of Report from Medical Examiner.

Proposer to answer the questions contained in that form, and any other questions which he may think proper to be asked, shall record the Proposer's answers in writing in the form, and shall read over to the Proposer the said answers and the declaration at the foot of the form. And the proposer shall sign the said declaration in the presence of the Medical Examiner.

#### DECLARATION OF PROPOSER.

I do hereby declare that the answers given by me to the Medical Examiner are true to the best of my knowledge and belief, and that I have not withheld or concealed any circumstance with regard to which information has been required from me. I agree that the said answers and the statements made by me to the Postmaster General in my Proposal shall be the basis of the proposed Contract for an Insurance on my life, and that if it shall hereafter appear that I have wilfully made any untrue statement, or have fraudulently concealed any circumstance which I ought to have made known, then all the Premiums which shall have been paid under the said Contract shall be forfeited, and the Contract rendered absolutely null and void.

Signature of } \_\_\_\_\_  
 Proposer }  
 \_\_\_\_\_ day of \_\_\_\_\_ 18 \_\_\_\_.

The Statements made and the Answers given by the Proposer in his Proposal Form and to the Medical Examiner to be the basis of the Contract for the Insurance of Proposer's Life. Such Contract to be null and void if such Statements or Answers, or any of them, be false.

Proposer's Statement of Age may be admitted in the Contract, and if so admitted shall not afterwards be called in question.

In fixing the Premiums to be charged for the Insurance of Lives, the "Tables for Ordinary Lives" to be used, except in certain cases.

Persons insured under "Tables for Ordinary Lives" to give notice to Post-

6. If the Postmaster General shall think fit, on receipt of the report from the Medical Examiner, to enter into a Contract on behalf of the Commissioners for the Reduction of the National Debt with the Proposer, then the statements made and the answers given by the Proposer on the Proposal Form and to the Medical Examiner shall be taken to be the basis of the Contract; and if it shall afterwards appear that the said statements or answers, or any of them, are untrue, or that the Proposer withheld any of the information which was required from him, then any Premiums which shall have been paid by the Proposer under the Contract shall be forfeited, and the Contract rendered absolutely null and void.

If, however, the Postmaster General, before the execution of the Contract, shall be satisfied that the Proposer has stated his age correctly, he shall, if he think fit, declare in the Contract that he has admitted the Proposer's statement of age, and if the Proposer's statement of age be thus admitted in the Contract it shall not subsequently be called in question.

7. If the Postmaster General shall think fit to enter into a Contract on behalf of the Commissioners for the Reduction of the National Debt for the Insurance of the Proposer's life, he shall require the Proposer to pay according to age the Premiums fixed by the Tables framed under the authority of the Act 27th and 28th Vict. c. 43., and intitled "Tables for Ordinary Lives," unless he be made aware of any circumstances connected with the health or habits of the Proposer which may tend to shorten the Proposer's life, in which case he shall, if he think fit, require the Proposer to pay, in addition to the Premiums fixed by the "Tables for Ordinary Lives," such additional Premiums as shall appear sufficient to cover the additional risk, or unless the Proposer shall at the date of his Proposal follow the occupation of a miner, or that of a butcher, or that of an innkeeper, publican, or beerseller, or that of a sailor or mariner, or shall follow any other occupation which shall seem likely to be attended by special risk to life, in which case the Postmaster General shall, if he think fit, require him to pay, according to age, the Premiums fixed by any Tables which may be specially framed under the above-cited Act for persons following the above-named occupations.

8. If the Postmaster General shall enter into a Contract on behalf of the Commissioners for the Reduction of the National Debt with the Proposer, and shall require the Proposer to pay, according to age, the Premiums fixed by the "Tables for Ordinary Lives," on the understanding that the

Proposer is not, at the date of the Contract, following any one of the above-named occupations or any other occupation which shall seem to be attended by special risk to life, and if the said Proposer or Contractor at any period subsequent to the date of the Contract shall take up and follow either of such occupations, or any occupation which shall have been excepted by the Contract, or shall go beyond the limits of Europe, or shall go on the high seas, except in time of peace in passing from one part of Europe to another part of Europe, or shall enter upon active service as a soldier, he shall give notice accordingly to the Postmaster General, and the Postmaster General shall, if he think fit, require the Proposer or Contractor to pay such Premiums, in addition to those paid or payable under the Contract, as shall be necessary to cover the additional risk, or shall require the surrender of the Contract; but if the Proposer or Contractor does not give such notice to the Postmaster General, or if he shall die by his own hands or by the hands of justice, then all the Premiums which he shall pay or shall have paid under the Contract shall be forfeited, and the Contract rendered absolutely null and void.

master General if they subsequently enter on certain Occupations, or go out of Europe or on the high seas.

Contract to be null and void if such Notice be not given.

9. If the Postmaster General shall think fit to enter into a Contract, on behalf of the Commissioners for the Reduction of the National Debt, for the Insurance of the Proposer's life, the Contract shall specify—

Form of Contract for Insurance of Life.

- I. The name of the person insured under the Contract :
- II. The amount insured :
- III. The amount of Premium :
- IV. The periods at which the Premiums will become due and payable :
- V. The conditions under which the Premiums will be forfeited, and the Contract rendered null and void.

10. The Contract shall be executed by an officer appointed for the purpose by the Postmaster General, with the consent of the Commissioners for the Reduction of the National Debt, and shall be delivered to the Contractor, on payment by him of the first Premium due under the Contract, at such one of the offices appointed for the purpose as the Contractor shall select; and the Contractor shall continue to pay the Premiums due under the Contract at the said office until he shall give notice to the Postmaster General, on a Form to be obtained at any Money Order Office, of his desire to pay them at some other office than that which he at first selected.

Execution and Delivery of Contract.

Premiums to be paid at such of the Offices appointed for that purpose as Contractor shall select.

11. If the Contractor be required by the Contract to pay for the Insurance of his life by a single Premium, the delivery of the Contract to him, on payment by him of the said Premium, shall be a sufficient receipt for the Premium. If he be required by the Contract to pay an annual Premium, or to pay Premiums more often than once in each year, there shall be delivered to him, together with the Contract, a Premium Receipt Book, in which book the date and amount of each Premium paid by him shall be entered at the time of payment by the Postmaster or other officer to whom the payments are made, and who shall affix his signature and the dated stamp of his office to each such entry. An abstract of these regulations, and a statement of the dates on which the Premiums will be payable, from time to time, under the Contract with him, shall be given on the cover of the Contractor's Premium Receipt Book.

Receipts for Premiums.

12. The Premiums due annually or more frequently than once in each year under Contracts for the Insurance of lives must in every case be paid by the Contractors within the weeks (that is, before the close of business on Saturday,) in which the days appointed by the Contracts for such payments shall fall. Thus, if the Contract shall appoint the first day of January as the day on which a Premium payable annually shall become due, the said Premium must be paid annually within the week (that is, before the close of business on Saturday,) in which the first day of January shall fall; and if the Contract shall appoint the first Monday and the third Monday in each calendar month as the days on which a Premium payable fortnightly shall become due, the said Premium must be paid within the weeks (that is, before the close of business on Saturday,) in which the first Monday and the third Monday in each calendar month shall fall. And any Contractor who shall omit to pay his Premiums within the weeks in

Premiums becoming due periodically to be paid within the weeks in which the days appointed by the Contracts for such payments shall fall. If not so paid, Contractor to be held to have made default of payment.

which the days appointed for the payment of such Premiums fall shall be held to have made default of payment.

Contract to be renewed after default if application be made for such renewal within four weeks from date of default, and if Postmaster General shall think fit.

13. If any Contractor for an Insurance on his life shall thus make default of payment, the Contract for the Insurance of his life shall be null and void; and if he shall desire to renew the said Contract he must make application accordingly to the Postmaster General within four weeks from the date on which the default of payment shall occur. On receipt of the said application the Postmaster General shall, if he think fit, direct the defaulting Contractor to present himself for medical examination by a legally qualified medical practitioner, to be named by the Postmaster General, and the Postmaster General shall, if he think fit, but not otherwise, renew the Contract with the defaulting Contractor, and shall, as a condition of such renewal of the Contract, require the defaulting Contractor to pay any arrears of Premium from the date of default which shall be due from him, and shall also, if he think fit, require the defaulting Contractor to pay a *fine* for default of 4*s.* if the amount assured by the Contract does not exceed, and a *fine* of 8*s.* if that amount does exceed, the sum of 60*l.*

Contractors who have paid Premiums under Contracts with them for five years or upwards, and who make default of payment, or desire to surrender their Contracts, to receive not less than one third of the Premiums paid by them.

14. If any Contractor for an Insurance on his life, after having paid the Premiums due under the Contract with him for a period of not less than five years, shall desire to surrender the said Contract, or shall make default in the payments due under that Contract, the Postmaster General, on the application of the person beneficially interested in the said Contract, on a Form to be obtained at any Money Order Office, shall pay to such person such sum of money, not being less than one third of the Premiums which shall have been paid by him, as shall be fixed by any Regulations\* which may be framed for the purpose under the authority of the Act 27 & 28 Vict. cap. 43, or shall grant to such person such a paid-up Contract of Assurance, or such an immediate or deferred annuity, as shall be equivalent in value to the said sum of money.

Contractors who have paid the Premiums due under the Contracts with them for five years or upwards may assign such Contracts.

15. If any Contractor for an Insurance of his life, after having paid for five years or upwards the Premiums due under the Contract with him, shall desire to assign to some other person his right and interest in the said Contract, he shall notify such desire to the Postmaster General, on a form to be obtained at any Money Order Office, and shall pay such fee and conform to such conditions as shall be required by the Postmaster General under the Regulations† which shall be framed for the purpose.

Sums becoming due under Contracts for payments on Death to be made to the persons entitled to receive them on production of proof of death.

16. On the death of any Contractor for an Insurance on his life, and on production to the Postmaster General of Probate of the Will of the said Contractor, or of Letters of Administration to the effects of the said Contractor, or of an assignment of the Contract with the said Contractor made under such conditions as shall hereafter be prescribed by the Regulations, and on production of a certificate of the death or a certificate of the burial of the said Contractor, together with a statutory declaration made before a Justice of the Peace by some person not beneficially interested in the Contract, of the identity of the Contractor with the person named in the certificate of death or certificate of burial, and on production of such other evidence of death and identity as the Postmaster General shall see fit to require, the Postmaster General shall issue to the executor, administrator, or assignee of the said Contractor a warrant for the sum due under the Contract, which warrant shall be payable forthwith, upon delivery of the Contract and the Premium Receipt Book, at such one of the offices appointed for the purpose as the executor, administrator, or assignee shall select.

\* As under the Provisions of the Act 27 & 28 Vict. c. 43. no Policy or Contract of Assurance will have a surrender value until the Premiums due under the said Policy or Contract have been paid for five years, and as no question with regard to the surrender value of such Policies or Contracts can arise until the year 1870, the Regulations with respect to such surrender are withheld for further consideration.

† As no Policy or Contract which shall be issued or made under the Authority of the Act 27 & 28 Vict. c. 43. can be assigned until the Premiums due under it shall have been paid for five years or upwards, and as no assignment of any such Policy or Contract can be made legally until the year 1870, the Regulations with regard to such assignment are reserved for further consideration.

17. At the offices appointed for the purpose by the Postmaster General Proposals shall be received—

Terms of Proposal for purchase of Immediate or Deferred Annuities or Deferred Monthly Allowances.

- I. For the purchase by a single payment of an immediate Life Annuity, payable half-yearly, of not less than 4*l.* and not more than 50*l.*;
- II. For the purchase by a single payment of an Annuity of not less than 1*l.*, or more than 50*l.*, and payable half-yearly on and from the second quarter day\* next following the expiration of a term of years, the condition of such purchase being that no part of the purchase money shall in any event be returned;
- III. For the purchase by an annual payment throughout a term of years of an Annuity of not less than 4*l.* or more than 50*l.*, and payable half-yearly on and from the second quarter day\* next following the expiration of such term of years, the condition of such purchase being that no part of the purchase money shall in any event be returned;
- IV. For the purchase by a half-yearly, quarterly, monthly, fortnightly, or weekly payment continued throughout a term of years of a Monthly Allowance of not less than 4*s.* and not more than 4*l.* 3*s.* 4*d.*, to commence on the first day of the month next following the expiration of such term of years, the condition of such purchase being that no part of the purchase money shall in any event be returned;
- V. For the purchase by a single payment or by an annual payment for a term of years of an Annuity of not less than 4*l.* and not more than 50*l.*, payable half-yearly, on and from the second quarter day next following the expiration of such term of years, the conditions of such purchase being that if the Proprietor shall die before the Annuity becomes due, the purchase money shall be returned to his representatives; and that if the Proprietor shall, during his life, and before the Annuity becomes due, desire the purchase money to be returned to him, the said purchase money shall be so returned; and
- VI. For the purchase by a half-yearly, quarterly, monthly, fortnightly, or weekly payment through a term of years of a Monthly Allowance of not less than 4*s.* and not more than 4*l.* 3*s.* 4*d.*, to commence on the first day of the month next following the expiration of such term of years, the condition of such purchase being that if the Proprietor shall die before the Monthly Allowance shall become due, the purchase money shall be returned to his representatives; and that if during his life, and before the Monthly Allowance shall become due, he shall desire to have the purchase money returned to him, it shall be so returned to him;

but no such Proposal shall be received from or on behalf of a person under the age of ten years.

18. Every person who shall desire to purchase an Immediate Annuity, or a Deferred Annuity, or a Deferred Monthly Allowance, shall, if he has not previously made any such purchase, make his Proposal on a Form, to be obtained at any Money Order Office, and shall deposit the Proposal at one of the offices appointed by the Postmaster General for the receipt thereof. In this Proposal the Proposer shall specify his Christian name and surname, and his residence, and the Christian name, surname, and

Form of first Proposal for purchase of Immediate or Deferred Annuities or Deferred Monthly Allowances.

\* If the Annuity be purchased, and the purchase-money, or the first instalment thereof, be paid, after the 5th day of January and before the 5th day of April - { Such Annuity will be payable the 5th of July and the 5th of January in every year.

If after the 5th day of April and before the 5th day of July - { Such Annuity will be payable the 10th of October and the 5th of April in every year.

If after the 5th day of July and before the 10th day of October - { Such Annuity will be payable the 5th of January and the 5th of July in every year.

If after the 10th day of October and before the 5th day of January - { Such Annuity will be payable the 5th of April and the 10th of October in every year.



residence of the person on whose life the Annuity or Monthly Allowance is to depend, and for whose benefit it is to be purchased, if the Proposer be not that person. He shall also specify the place and date of birth of the person on whose life the Annuity or Monthly Allowance is to depend, and for whose benefit it is to be purchased, the amount of the Annuity or Monthly Allowance which he proposes to purchase, the manner in which he proposes to purchase such Annuity or Allowance, and the period at which such Annuity or Allowance is to become payable. He shall also furnish, in the manner pointed out in the Proposal Form, evidence as to the age of the person on whose life the Annuity or Monthly Allowance is to depend, and for whose benefit it is to be purchased, shall furnish in writing on the Proposal Form the names and addresses of persons from whom the Postmaster General may obtain information as to the age of that person, and shall sign the declaration at the foot of the Form of Proposal, in presence of an officer of the Postmaster General.

The PROPOSER will be required to furnish EVIDENCE as to the AGE of the PERSON on whose life the Annuity is to depend.

If that Person be a native of England or Wales, and born after the 30th June 1837, the Proposer must produce a certificate of birth from the Registrar General at Somerset House, or from the Registrar of the district in which the birth took place. If the Person be not a native of England or Wales, or if his or her birth took place before 30th June 1837, or if from any other circumstance the Proposer be unable to produce a certificate of birth from the Registrar of the district or from the Registrar General at Somerset House, the Proposer must, if possible, produce a record of birth or baptism from a Parochial or other Register of births and baptisms. When the Proposer is able to furnish either a certificate of birth or a record of birth or baptism as above described, he or she must enclose it in the proper Form. When the Proposer is unable to furnish such certificate or record, he or she must state whether he or she has any other evidence, and if so, what evidence, to offer in support of his or her statement as to his or her age. To enable the officers of the Postmaster General to identify the Person named in the certificate of birth or record of birth or baptism, with the Person on whose life the Annuity is to depend, and to obtain a general confirmation of the Proposer's statements with regard to age, the Proposer must furnish the name and address of that Person's employer or superior officer (if any) at the date of Proposal, and in the event of that Person having served under more than one employer or superior officer the name and address of some one of those under whom he or she has previously served. The Proposer must also furnish the names and addresses of two respectable householders who have for some time been well acquainted with the Person on whose life the Annuity is to depend.

FORM of DECLARATION to be signed by the PROPOSER in the presence of a POSTMASTER or other OFFICER of the POSTMASTER GENERAL duly appointed for the purpose.

I do hereby declare that the statements made by me are true to the best of my knowledge and belief. I agree that the statements shall be the basis of the proposed Contract, and that if it shall hereafter appear that I have wilfully made any untrue statement, then all the Premiums which shall have been paid under the said Contract shall be forfeited, and the Contract rendered absolutely null and void.

19. The proposal thus duly signed by the Proposer shall be forwarded to the office of the Postmaster General in London by the Postmaster or other officer with whom it is deposited, and if the Postmaster General, after examination of the evidence of age, and inquiry of the persons to whom the Proposer refers him, shall think fit to enter into a Contract on behalf of the Commissioners for the Reduction of the National Debt with the Proposer in the manner proposed, the Proposal shall be taken to be the basis of such Contract; and if the Proposer shall afterwards be proved to have wilfully made any untrue statement of the age of the person upon

The Statements in the Proposal to be taken as the basis of the Contract, and the Contract to be null and void if such Statements be found to be untrue.

whose life and for whose benefit the Annuity is granted, then any Purchase Money or instalments of Purchase Money which shall have been paid under the Contract shall be forfeited, and the Contract rendered absolutely null and void.

20. If the Postmaster General shall think fit to enter into a Contract on behalf of the Commissioners for the Reduction of the National Debt, for the grant of an Annuity or Monthly Allowance on the life of any person, he shall require the Purchaser to pay such sum or sums of Purchase Money according to the age and sex of the person on whose life the Annuity or Monthly Allowance is to depend, and the period at which the Annuity is to commence, as shall be fixed by the Tables framed under the authority of the Act 16 & 17 Vict. c. 45., or under the authority of the Act 27 & 28 Vict. c. 43.

The Purchase Money to be fixed in accordance with the Tables framed under the Acts 16 & 17 Vict. c. 45. and 27 & 28 Vict. c. 43.

21. The Contract shall specify—

Form of Contract for Grant of Annuity or Monthly Allowance.

- I. The name of the person on whose life the Annuity or Monthly Allowance is to depend ;
- II. The amount of the Annuity or Monthly Allowance ;
- III. The amount of the Purchase Money, if it be payable in one sum, or of an instalment of the Purchase Money, if it be payable by instalments ;
- IV. The periods at which such instalments will become due and payable ;
- V. The period at which the Annuity or Monthly Allowance is to commence ; and
- VI. The conditions under which the Purchase Money or any instalments thereof will be forfeited, and the Contract rendered null and void.

22. If any person who shall have purchased an Annuity of less than 50*l.*, or a Monthly Allowance of less than 4*l.* 3*s.* 4*d.*, and who shall have produced proof of the age of the person for whose benefit and on whose life such Annuity or Monthly Allowance shall have been purchased, shall desire to purchase a further Annuity or Monthly Allowance on the life of the same person, the proof of age furnished by him on the occasion of his first Proposal shall be deemed sufficient on the occasion of the second or any subsequent Proposal ; and the statement of age which he made on the occasion of his first Proposal shall be taken as the basis of the Contract to be made in accordance with the second or any subsequent Proposal. And if the said statement shall at any time be proved to be untrue, the Purchase Money which shall have been paid under any Contracts based on that statement shall be forfeited and the Contracts rendered null and void.

Proof of age once given need not be repeated.

23. The Contract shall be executed by an officer appointed for the purpose by the Postmaster General, with the consent of the Commissioners for the Reduction of the National Debt, and shall be delivered to the Purchaser on payment by him of the Purchase Money, or first instalment of the Purchase Money due under the Contract, at such one of the offices appointed for the purpose as the Purchaser shall select ; and the Purchaser shall continue to pay any instalments due under the Contract at the said office until he shall give notice to the Postmaster General, on a Form to be obtained at any Money Order Office, of his desire to pay them at some other office than that which he first selected.

Execution and Delivery of Contract.

Purchase Money to be paid at such of the Offices appointed for the purpose as Purchaser shall select.

24. If the Purchaser be required by the Contract to purchase the Annuity by a single payment, the delivery of the Contract to him on payment of the said Purchase Money shall be a sufficient receipt for the Purchase Money. If he be required by the Contract to pay the Purchase Money by annual instalments or to pay instalments more often than once in each year, there shall be delivered to him, together with the Contract, an Instalment Receipt Book, in which book the date and amount of each instalment paid by him shall be entered at the time of payment by the Postmaster or other officer to whom the payments are made, and who shall affix his signature and the dated stamp of his office to each such entry.

Receipts for Purchase Money or Instalments of Purchase Money.

An abstract of these regulations, and a statement of the dates on which the instalments will be payable from time to time under the Contract with

him, will be given on the cover of the Purchaser's Instalment Receipt Book.

Periodical Instalments of Purchase Money to be paid within the weeks in which the days appointed by the Contracts for such instalments shall fall. If not so paid the Purchaser shall be held to have made default of payment.

25. The instalments due annually or more frequently than once in each year, under Contracts for the grant of Annuities or Monthly Allowances, must in every case be paid by the Purchasers within the weeks (that is before the close of business on Saturday) in which the days appointed by the Contracts for such payments shall fall.

Thus, if the Contract shall appoint the first day of January as the day on which an instalment payable annually shall become due, the said instalment must be paid annually within the week (that is before the close of business on Saturday) in which the first day of January shall fall; and if the Contract shall appoint the first Monday and the third Monday in each calendar month as the days on which an instalment payable fortnightly shall become due, the said instalment must be paid within the weeks (that is before the close of business on Saturday) in which the first Monday and the third Monday in each calendar month shall fall. And any Purchaser who shall omit to pay his instalment within the weeks in which the days appointed for the payment of such instalments fall, shall be held to have made default of payment.

Conditions under which Purchase Money shall be returnable in case of default of payment or death of person on whose life an Annuity is granted before commencement of the Annuity.

26. If any person who shall have agreed to purchase a Deferred Annuity or Deferred Monthly Allowance, by payments made annually or more often than annually, on condition that in the event of default of payment or in the event of the death of the person on whose life the Annuity depends before the period at which the Annuity is to commence, the Purchase Money paid shall be returnable, shall make default of payment, or if the person on whose life the Annuity is to depend shall die before the Annuity commences, then the person for whose benefit the Annuity was purchased or his representatives shall make application to the Postmaster General, on a Form to be obtained at any Money Order Office, for the return of so much of the Purchase Money as shall have been paid. And the Postmaster General, on being satisfied of the right of the applicant to receive back such Purchase Money, shall issue a warrant for the amount, which warrant shall be payable at such one of the offices appointed for the purpose as the applicant shall select.

Conditions under which Purchase Money shall not be returnable.

Contracts for Deferred Monthly Allowances which shall be cancelled by default may be renewed, if Postmaster General shall think fit, on application from Purchaser within four weeks from date of default, and on payment of arrears and of a fine.

Postmaster General may, if he shall think fit, grant Annuities in trust.

But if it shall have been a condition of the purchase that no part of the Purchase Money be in any event returned, then, in case of default of payment, or in case of the death of the person on whose life the Annuity is to depend before the period at which the Annuity commences, the Contract shall be cancelled and be at an end.

If, however, the Purchaser of any Deferred Monthly Allowances shall make default, and shall desire a renewal of the Contract which will have been cancelled by his default, he shall make application accordingly to the Postmaster General *within four weeks* from the date of default, and the Postmaster General shall, if he think fit, but not otherwise, renew the Contract upon payment by the defaulting Purchaser of any arrears of Purchase Money which shall be due from him, and of a fine for the default of two shillings and sixpence.

27. The Annuities or Monthly Allowances granted under these Regulations shall be granted in the sole name of the person on whose life and for whose benefit they are granted, except in the case of females, infants under twenty-one years of age, idiots, persons of unsound mind, or persons incapacitated by bodily or mental infirmity from taking care of themselves, in which cases the Postmaster General shall, if he think fit, and on proper application being made to him, grant such Annuities or Monthly Allowances upon the life of such person to such person, and to two or more persons not interested therein, as trustees for such person; but in all such cases the name of the person to whose life and for whose benefit the Annuity or Monthly Allowance is granted shall be inserted in the Contract as joint proprietor of the said Annuity or Monthly Allowance.

Postmaster General may permit such trusts to be transferred.

28. When the Postmaster General shall thus have contracted, on behalf of the Commissioners for the Reduction of the National Debt, to grant an Annuity or Monthly Allowance to more persons than one, he may, if he think fit, permit the persons not beneficially interested therein, jointly

with the person who is beneficially interested therein, whether that person is or is not twenty-one years of age, to transfer the said Annuity or Monthly Allowance to other persons, of whom the person beneficially interested shall always be one, and he may, if he think fit, permit such transfer even when the person beneficially interested is incapacitated by mental or bodily infirmity from joining in it.

29. No Right, Title, Interest, or Benefit in or to any Annuity or Monthly Allowance which shall be purchased under these Regulations shall be assignable by the Proprietor thereof, except in the case of the bankruptcy of such Proprietor, when the same shall become the property of his assignee or assignees for the benefit of his creditors; and in case of such bankruptcy the Postmaster General shall, on behalf of the Commissioners for the Reduction of the National Debt, repurchase such Annuity or Monthly Allowance, according to the value thereof, to be computed by the Tables in accordance with which the Annuity or Monthly Allowance was granted, and shall pay the value thereof to the said assignee or assignees, whose receipt shall be a sufficient discharge.

30. The Half-yearly Payments or Monthly Allowances which shall become due from time to time under the Contracts into which the Postmaster General shall enter shall be made and paid by Warrants, which Warrants shall be issued from the Office of the Postmaster General in London to the Proprietors of such Annuities or Monthly Allowances, and shall be payable at such of the Offices appointed for the purpose as the said Proprietors shall select. The Postmasters of the Offices at which the Warrants are made payable shall be advised from the Office of the Postmaster General in London of all Warrants made payable at their Offices; and shall not pay any Warrant unless so advised, and unless the Proprietor of the Annuity or Monthly Allowance shall present the Warrant in person, sign the receipt at the foot of the said Warrant in the presence of the paying officer, and produce a certificate declaring the said Proprietor to be alive at the date of the Warrant, and signed by a justice of the peace, or by a minister of any denomination, or by a churchwarden, or by a legally qualified medical practitioner, or by a postmaster, or any other officer, not being the paying officer, of the Postmaster General. And if by reason of bodily infirmity the Proprietor of the Annuity or Monthly Allowance shall be unable to present the Warrant at the Office appointed for the payment, then an officer of the Postmaster General shall carry the amount of the Warrant to the residence of such Proprietor, obtain from him the requisite Life Certificate, pay him the amount of the Warrant, and take the signature of the Proprietor on the receipt at the foot of the Warrant. The Warrants when paid and receipted shall be transmitted, together with the corresponding Life Certificates, to the Office of the Postmaster General in London.

31. If the Proprietor of a Deferred Annuity, payable half-yearly, shall die after having received one or more of such half-yearly payments, there shall be paid to his representatives, on proof of his death and of their title, within two years from the date of his death, a sum equal to one fourth part of the said Annuity, and any arrears of half-yearly payments which shall have been due to him at the date of his death.

32. If any person under the control of the Postmaster General, or under the control of the Commissioners of Inland Revenue or the Commissioners of Customs, or any person employed in any Government Department, or any person employed by the directors of a railway company, or by a manufacturer, or other large employer of labour, after effecting an Insurance on his life or contracting to purchase a Deferred Annuity or Monthly Allowance under these Regulations, shall desire to have his Premiums or Instalments deducted from his salary or wages, and paid over to the officers of the Postmaster General, and if the persons under whom or by whom he is employed shall be willing to undertake the deduction of such Premiums or Instalments from his salary or wages, with the view of paying them over to the officers of the Postmaster General, then the Postmaster General shall, if he think fit, make arrangements with the said employers for such purpose, and shall constitute the Departments, Offices, or Places of business of such employers "Offices for

The Right and Interest in and to any Annuity or Monthly Allowance shall not be assignable except in case of the Bankruptcy of the person beneficially interested therein.

Annuities and Monthly Allowances to be paid at such of the Offices appointed for the purpose as the Proprietors shall select. Conditions and mode of payment,

On the death of the Proprietor of an Annuity payable half-yearly, one fourth part of the said Annuity and any arrears of half-yearly payments to be paid to his representatives.

Postmaster General may, if he shall think fit, make arrangements with the Superior Officers of or employers of persons who shall have insured their lives or contracted to purchase Annuities, for the collection of the Premiums or Instalments by deductions from the salaries and

wages of such persons as shall be willing to permit of such deductions.

Depositors in Post Office Savings Banks may pay their Single Premiums on Contracts made under these Regulations by transfers from their Savings Bank Accounts.

Insurances may be effected and Annuities granted on the lives of married women.

Annuities due to married women shall be paid to them, unless their husbands give notice to the contrary.

All costs and charges, except cost of furnishing evidence of age, are provided for in the Premiums for Insurance of lives and Grant of Deferred Monthly Allowances.

Persons purchasing Immediate and Deferred Annuities to pay cost of producing evidence of age, and a fee of one shilling for every Pound of Annuity purchased. Annuities to be free from tax.

Persons insuring their lives or purchasing Annuities under these Regula-

“ the receipt of Proposals and for the receipt of Premiums and Installments,” and shall pay to such employers such remuneration for the work done by them or their officers or servants as shall be agreed upon between him and them.

33. If any Depositor in a Post Office Savings Bank shall propose under these Regulations to insure his life by a Single Premium, or to purchase an Immediate or Deferred Annuity by payment of a single sum, he may, if he shall think fit, request the Postmaster General to apply the whole or part of the sum standing to his credit in the books of the Post Office Savings Bank to the payment of the said Single Premium; and on receipt of such application the Postmaster General shall, if he think fit, cause the sum which the Depositor shall wish so to be applied to be transferred from the Depositor's Account in the books of the Post Office Savings Bank to the Account to be opened with him for the Insurance of his life, or for the grant of an Annuity; and the sum so transferred shall be entered on the withdrawal side of the Depositor's Savings Bank Book, as if it had actually been paid to him, and shall be held to have been paid to him, and shall be held to have been received from him as the Premium, or as part of the Premium, according to its amount, which he shall be required to pay for the Insurance of his life or for the purchase of the Annuity.

34. The Postmaster General may, if he think fit, contract, on behalf of the Commissioners for the Reduction of the National Debt, to insure the life of a married woman for not less than 20*l.* and not more than 100*l.*, and may grant an Annuity of not more than 50*l.* or a Monthly Allowance of not more than 4*l.* 3*s.* 4*d.* on her life, even though he shall have insured the life of her husband to any amount within the prescribed limits, or granted an Annuity of any amount within the prescribed limits on the life of such husband.

Annuities or Monthly Allowances granted to married women, or to women who shall afterwards marry, shall, when they become payable, be paid to such women, unless their husbands shall give notice in writing to the Postmaster General of their desire to have such Annuities or Monthly Allowances paid to themselves.

35. Persons proposing to insure their lives, or to purchase Deferred Monthly Allowances, under these Regulations, shall provide at their own cost such Certificates of Birth or Baptism, or other evidence of age, as shall be required from them, but shall not be required to pay any Fee or Fees for Medical Examination, or to pay the cost of any inquiry which the Postmaster General may think fit to make with regard to their health, habits, age, and occupation, or to pay any Fee or Fees for the issue of any Contracts which may be made in accordance with their Proposals, or to pay any postage for the transmission of their Proposals, or for the transmission of any correspondence arising out of such Proposals between them and the Postmaster General, inasmuch as a provision for all such costs and charges is included in the Premiums which they will be required to pay, in accordance with the Tables framed for the purpose, for the Insurance of their lives or the purchase of Deferred Monthly Allowances.

36. Persons proposing to purchase Immediate or Deferred Annuities, payable half-yearly, shall provide at their own cost such certificates of birth or baptism or other evidence of age as shall be required of them, and, inasmuch as the Premiums fixed by the Tables framed for the grant of such Annuities do not include any provision for costs and charges, shall, if the Postmaster General think fit, be required to pay, at the time of purchase, a fee of one shilling for every Pound of Annuity purchased.

37. Life Annuities or Deferred Monthly Allowances purchased under these Regulations shall be free from all taxes, charges, or impositions whatever, and all such Annuities or Deferred Monthly Allowances shall be declared personal estate.

38. Every person purchasing an Annuity or having purchased the same under these Regulations, or contracting for the payment of a sum of money on his death, shall be considered as a Depositor in a Savings Bank; and all the provisions of the Acts now in force relating to Savings Banks, in

as far as the same can or may be applicable, shall apply to the parties having purchased or purchasing such Annuities, or contracting for the payment of money on death, and to the rules and regulations to be made for carrying the same into effect: Provided always, that nothing in this clause contained shall be held to exempt any person or persons entering into a Contract for a payment on death, or any person or persons becoming beneficially interested therein, from any probate or stamp duty payable by law.

tions to be regarded as Savings Bank Depositors.

39. If payment of any sum of money due on a Contract made by the Postmaster General on behalf of the Commissioners for the Reduction of the National Debt, for payment of money on death, shall be refused, the person beneficially interested therein may, if he think fit, instead of proceeding to arbitration in manner provided by the said Savings Banks Acts, take proceedings against the Commissioners for the Reduction of the National Debt in the County Court of the district in which such Contract was entered into, or, with the consent of the said Commissioners, in any other County Court in the jurisdiction of which such person may be resident, for the recovery of the amount; and any County Court in which such proceedings may be taken shall have jurisdiction in the matter, and the decision thereupon shall be final and binding on all persons to all intents and purposes, and without any appeal; and for the purposes of this Regulation the Contract shall be deemed to have been entered into at the place where the person insured resided at the date of the Contract. For the purpose of arbitration under the said Acts relating to Savings Banks, the said Commissioners shall, when necessary, be deemed to be in the place of the Trustees of the Savings Banks. In Scotland the Sheriff Court, and in Ireland the Civil Bills Court of the Chairman of Quarter Sessions, shall have the same jurisdiction as is given by Act 27 & 28 Vict. c. 43. to the County Court.

Disputes to be settled by arbitration under Savings Banks Acts, or in County Courts in England and Wales, Sheriff Court in Scotland, or Civil Bills Court in Ireland.

40. In the construction of these Regulations, unless there be something in the subject or context repugnant thereto, every word importing the singular number only shall mean and include several persons or things, as well as one person or thing, and the converse, and every word importing the masculine gender only shall mean and include a female as well as a male; and the word month shall refer to a calendar and not to a lunar month.

Interpretation.

## APPENDIX B.

### I.

COPY of a LETTER from Sir A. Y. SPEARMAN, Bart., to the SECRETARY of HER MAJESTY'S TREASURY.

Sir, National Debt Office, 8th February 1865.

The Commissioners for the Reduction of the National Debt direct me to transmit herewith, to be laid before the Lords Commissioners of Her Majesty's Treasury, the following Tables which have been prepared to carry into effect the enactments of the Act 27 & 28 Vict. c. 43., intituled "An Act to grant additional facilities for the purchase of small Government Annuities, and for assuring payments of money on death," viz. :—

Deferred Life Annuities.—Money not returnable.

1. Tables showing what Annual Payment and what Single Payment must be made, according to the age and sex of the person on whose life the Annuity is to depend, to purchase an Annuity of *l.* payable half-yearly at and from the expiration of the second quarter next following the expiration of terms of years ranging from a term of 10 years to a term of 50 years from the date of purchase.

2. A Table showing what Monthly Allowance, to commence on the first day of the month next following the expiration of 10 or 15, or 20 or 25, or 30 or 35, or 40 or 45, or 50 years from the day of purchase, may be pur-

chased, according to the sex of the person on whose life the Annuity is to depend, and according to his or her age at the time of purchase, by a monthly payment of eight shillings.

Tables for Assurance of Payments on Death.—For ordinary Lives.

1. A Table showing what Single Premium or "Consideration Money in one Sum" must be paid by the assured person in any year of his or her age, from 16 years to 60 years, to assure the payment of 100*l.* on his or her death.

2. A Table showing what Single Premium or "Consideration Money in one Sum" must be paid by the assured person in any year of his or her age, from 16 years to 60 years, to assure the payment of 20*l.*, 25*l.*, 30*l.*, 35*l.*, 40*l.*, 45*l.*, or 50*l.*, on his or her death.

3. A Table showing what Annual Premium or "Consideration Money payable in Annual Sums" must be paid by the assured person from any year of his or her age, from 16 years to 60 years, to the close of his or her life, in order to assure the payment of 100*l.* on his or her death.

4. A Table showing what sum, payable on death, may be assured by the payment of an Annual Premium of *One pound* from any year in the age of the assured person, from 16 years to 60 years, up to the close of his or her life.

5. A Table showing what sum, payable on death, may be assured by the payment of a Monthly Premium of *two shillings* from any year in the age of the assured person, from 16 years to 60 years, to the close of his or her life.

6. A Table showing what Annual Premium must be paid by the assured person from any year of his or her age, from 16 years to 50 years, up to the time at which he or she attains the age of 60 years, in order to assure the payment of 100*l.* on his or her death.

7. A Table showing what sum, payable on death, may be assured by the payment of a Monthly Premium of two shillings from any age of the assured person, from 16 years to 50 years, up to the time at which he or she attains the age of 60 years.

These Tables are accompanied by a statement of the rules which have been observed in constructing them.

If their Lordships shall sanction these Tables, under the powers vested in them by the 6th section of the Act in question, it will be necessary that they should be laid before both Houses of Parliament, because by the enactments of the Act they cannot come into operation until after the expiration of thirty days from the day they are laid before Parliament.

There remain two Tables, one for the grant of Deferred Life Annuities, the money to be returnable, by payment in one sum or by annual instalments, and the other by payments smaller in amount at more frequent periods, which will be forwarded to you for their Lordships' consideration without delay.

The Secretary, Treasury.

I have, &c.  
(Signed) A. Y. SPEARMAN.

## II.

A STATEMENT of the RULES which have been observed in constructing the Tables framed under the provisions of the Acts 16 & 17 Vict. c. 45. and 27 & 28 Vict. c. 43., together with some remarks in explanation of the Tables.

1. The following Tables are divided into two parts, and consist of Tables for the Insurance of Lives, *i.e.*, for the assurance of payments on death, and Tables for the grant of Annuities. The Tables for the Insurance of Lives, and that portion of the Tables for the grant of Annuities (*i.e.*, the Table for the Grant of Deferred Monthly Allowances), which have been framed under the authority of the Act 27 & 28 Vict. c. 43., have been constructed in accordance with the 6th section of that Act, which section declares it to be "expedient that the fund to be formed by the receipt of sums on account" of contracts effected under the Act shall be adequate to meet all claims

“ accruing and to accrue thereon, so as to render certain the fulfilment of  
 “ all engagements under such Contracts, without entailing any charge in  
 “ respect thereof or in respect of costs and expenses on the Consolidated  
 “ Fund of the United Kingdom.”

2. For the construction of the Tables for the Insurance of Lives of both sexes, the Life Table which is known as “The English Life Table, No. 3., for males,” and which has recently been published under the authority of the Registrar General of Births, Deaths, and Marriages in England, has been selected as being a Table which appears to give the most accurate estimate of the probabilities of English life, and in computing from the said Life Table the Net Premiums to be charged for the Insurance of Lives the interest of money has, in accordance with the 6th section of the above-cited Act, been taken as Three per centum per annum.

To the Net Premiums thus obtained there has been added a provision for costs and charges, and this provision has, so far as was practicable, been made proportionate to the work to be done in return for it. Thus, in framing the Table for the Insurance of Lives by Premiums payable more often than once in each year, an addition of twenty per cent. has been made to the Net Premiums, and this addition, it is believed, will cover the cost of collecting such Premiums twice, four times, twelve times, or forty-eight times in each year, according as the persons insured shall elect to pay them half-yearly, quarterly, monthly, or weekly. In framing the tables for the Insurance of Lives by payment of an annual premium, an addition of ten per cent. has been made to the Net Premiums, and in framing the Tables for the Insurance of Lives by payment of a single premium, an addition of two per cent. has been made to the Net Single Premiums, with a further addition of 2s. to the Single Premiums required for the insurance of sums not amounting to 50*l.*

The “loading,” or provision for expenses, thus included in the Gross Premiums to be charged for the Insurance of Lives, is intended to cover all costs and charges whatsoever arising out of such Insurance, except the cost of procuring certificates of birth or baptism, or other evidence of age, which will, in all cases, have to be defrayed by the person proposing for the Insurance.

3. The Tables for the Insurance of Lives which are now submitted to Parliament are Tables for the Insurance of Ordinary Lives only. Persons following dangerous or unhealthy occupations, amongst which occupations that of a miner, that of a butcher, and that of an innkeeper or beerseller, may be specified, will not, for the present at least, be insured under the Tables for Ordinary Lives. The question of framing special Tables for the Insurance of the lives of persons following specially dangerous or unhealthy occupations is still under consideration. If it shall be thought right to frame such Tables, they will in due course be submitted to Parliament.

And if on the occasion of any proposal for Life Insurance there shall appear to be any circumstances connected with the health or habits of the Proposer which would have a tendency to shorten his life, that life will not be insured under the Tables for Ordinary Lives. In such cases the Proposal will either be rejected altogether, or accepted only on condition that the insured person shall pay such Premiums, in addition to the ordinary Premiums, as shall be deemed sufficient to cover the additional risk.

4. The Tables for the Sale of Deferred Annuities and Deferred Monthly Allowances have been constructed with respect to “Probabilities of Life,” and to the Rates of Interest, precisely as the Tables previously framed under the Act 16 & 17 Vict. c. 45. were constructed. The law of mortality which has been observed in the construction of these Tables is set forth in the observations Nos. 13 and 20 of the Report made on the 28th March 1829 to the Lords of the Treasury, by the then Actuary to the Commissioners for the Reduction of the National Debt, and printed by order of the House of Commons on 31st March 1829 in Parliamentary Paper 122.

In computing the Net Premiums upon this basis the rate of interest has been taken to be Three and a quarter per centum per annum.

To the Net Premiums chargeable for the purchase of Deferred Monthly Allowances by instalments payable more often than once in each year, an addition of ten per cent. has been made to cover costs and charges,



and it is believed that this addition will cover all costs and charges, whether the instalments of purchase money be payable twice, four times, twelve times, or forty-eight times in each year.

To the Premiums fixed for the purchase of Annuities, payable half-yearly, by single or annual payments, no addition has been made for costs and charges, but to provide for such costs and charges the purchasers of such Annuities will, as heretofore, be required to pay, at the time of purchase, fees not exceeding those sanctioned in respect to such Annuities by the Acts 7 & 8 Vict. c. 83. s. 9. and 16 & 17 Vict. c. 45. s. 11.

The purchasers of Annuities or Deferred Monthly Allowances will in all cases be required also to provide at their own cost any certificates of birth or baptism or other evidence of age that may be required.

5. The Tables for the grant of Annuities and Monthly Allowances which are now submitted to Parliament are framed on the condition that no part of the purchase money shall in any event be returned to the purchaser. Other Tables to be framed on the condition that the purchase money shall be returnable at any time prior to the commencement of the Annuity or Deferred Monthly Allowance are under consideration, and will be submitted to Parliament in due course.

6. The Tables for fixing the Surrender Value of, or sum to be returned on, a Contract or Policy of Insurance, are also under consideration; but it may be observed that by the 8th section of the Act 27 & 28 Vict. c. 43. no Policy or Contract of Assurance will have a Surrender Value until premiums shall have been paid under it for five years, that is, not before the year 1870.

7. *The following Remarks are offered in explanation of the Tables now submitted to Parliament.*

Table 1. of the Tables for the Insurance of Lives shows what Single Premium will be required for the Insurance of 100*l.* on the life of a man or woman at any year of age from 16 to 60 years, the limits of age prescribed by the Act 27 & 28 Vict. c. 43. Table 2. shows what Single Premiums will be required in like circumstances for the Insurance of 20*l.*, 25*l.*, 30*l.*, 35*l.*, 40*l.*, or 50*l.*

In Table 1. the premiums are stated, firstly, in pounds, shillings, and pence, and, secondly, in pounds, florins, and mils, with a view to facilitate the computation of the premium required for the Insurance of sums between 100*l.* and 50*l.*, which computation may be effected thus: At age 35, the Single Premium for the Insurance of 100*l.* is 46*l.*, 8 florins, 08 mils; and if this premium be multiplied by '9, or '8, or '7, or '6, the products will be the premiums required for the Insurance of 90*l.*, or 80*l.*, or 70*l.*, or 60*l.*

Tables 1. and 2. may be read thus, by way of illustration:—A.B., being in his 35th year, may insure the payment of 20*l.* to his representatives, immediately on proof of his death, by paying a Single Premium of 9*l.* 9*s.* 3*d.*, and—

£	£	s.	d.	£	£	s.	d.
May insure 25 by paying	11	16	1	May insure 60 by paying	28	1	9
"   30   "	14	2	10	"   70   "	32	15	6
"   35   "	16	9	8	"   80   "	37	9	0
"   40   "	18	16	6	"   90   "	42	2	6
"   45   "	21	3	4	"   100  "	46	16	2
"   50   "	23	8	1				

It is believed that the Tables for the Insurance of Lives by Single Premiums will be very useful to those persons who are too uncertain of their future prospects to be willing to undertake the payment of premiums at regular periods, but who would gladly apply towards the insurance of their lives from time to time sums which they may have accumulated, or of which they may from time to time become possessed.

Under the fifth section of the Act 27 & 28 Vict. c. 43. no one life may be insured for a less amount than 20*l.*, or a greater amount than 100*l.*, but persons may commence by insuring their lives for 20*l.*, and may increase their Insurance from time to time by smaller sums than 20*l.*, until they shall have effected an aggregate Insurance of 100*l.*

The following are illustrations of the progress of Insurance of this kind:—

The Insured	Being aged next Birthday	Pays a Single Premium of	And effects an Insurance on his life of	And stands insured in all for
A.B.	17	£ s. d. 7 2 8	£ 20	£ 20
"	20	3 16 1	10	30
"	23	2 0 9	5	35
"	25	2 2 0	5	40
"	30	4 8 4	10	50
"	32	6 15 9	15	65
"	33	2 7 4	5	70
"	35	2 8 10	5	75
"	40	12 16 2	25	100
C.D.	18	10 16 10	30	30
"	19	1 18 5	5	35
"	21	3 17 2	10	45
"	24	5 19 11	15	60
"	26	2 2 6	5	65
"	28	4 5 8	10	75
"	34	7 0 1	15	90
"	36	4 17 2	10	100

Table 3 is for the Insurance of a fixed sum by the payment of an Annual Premium, varying according to the age at which the premium commences, and payable throughout life. The fixed amount of insurance specified in the Table is 100*l.*, but the premiums for the Insurance of smaller sums may be computed from it, and the Table may be read thus:—

	£ s. d.	£
A.B., by paying from the 35th year of his age to the close of his life, an annual premium of	2 13 8	insures 100
And by paying - - - - -	1 6 10	" 50
And by paying - - - - -	0 10 8	" 20
And by paying - - - - -	0 5 4	" 10
And by paying - - - - -	0 2 8	" 5

Under Table 3, as under Tables 1 and 2, the insured person may commence by insuring his life for 20*l.*, and may gradually increase the amount of his insurance up to 100*l.*, according as he is able to increase his annual payments.

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The following is an illustration of the progress of an Insurance of this kind:—

The Insured	By paying an Annual Premium of	From the Age of	Insures the Sum of	His Annual Premium rises to	And the Sum for which he is insured rises to
A.B.	£ s. d. 0 7 3	20	£ 20	£ s. d. —	£ s. d. —
"	0 4 1	25	10	0 11 4	30 0 0
"	0 9 4	30	20	1 0 8	50 0 0
"	0 13 5	35	25	1 14 1	75 0 0
"	0 15 9	40	25	2 9 10	100 0 0

Table 4 shows the amount which may be insured by the payment annually and throughout life of 1*l.* from any year of age within the prescribed limits. The Table may be read thus:—

A.B., by paying 1 <i>l.</i> , annually, from the 35th year of his age to the close of life, insures	-	-	£ s. d. 37 5 3
By paying 10 <i>s.</i> , annually, insures	-	-	18 12 8
By paying 5 <i>s.</i> , annually, insures	-	-	9 6 4
And by paying 2 <i>s.</i> 6 <i>d.</i> , annually, insures	-	-	4 13 2

Under this Table, again, progressive insurances from 20*l.* up to 100*l.* may be effected, thus:—

The Insured	By paying annually and throughout life	From the Age of	Insures payment on Death of	His Annual Premium rises to	And he stands insured for
A.B.	s. d. 10 0	17	£ s. d. 29 17 9	£ s. d. —	£ s. d. —
"	5 0	20	13 16 5	0 15 0	43 14 2
"	5 0	25	12 4 11	1 0 0	55 19 1
"	10 0	35	18 12 8	1 10 0	74 11 9
"	15 0	40	23 18 2	2 5 0	98 9 11

Table 5 shows what sums may be insured by the payment throughout life from any year of age within the prescribed limits of a monthly premium of 2*s.*, but from it may be computed the sums which may be assured by more frequent or less frequent payments. It may be read thus:—

A.B., by making twelve payments of 2 <i>s.</i> each in each year, from 35 to his death, insures	-	-	£ s. d. 39 17 10
And by making twenty-four such payments insures	-	-	79 15 8
And by making six such payments insures	-	-	19 18 11
And by making three such payments insures	-	-	9 19 6

Under this Table also progressive insurances from 20*l.* to 100*l.* may be effected thus:—

The Insured	By paying instalments of two shillings as below	From the age of	Insures the following sums.	The annual number of his payments of 2 <i>s.</i> rises to	And his Insurance rises to
A.B. -	On the first Monday in January, April, July, and October of each year -	17	£ <i>s.</i> <i>d.</i> 21 8 8	—	£ <i>s.</i> <i>d.</i> —
„ -	On the first Monday in February, May, August, and November of each year -	20	19 16 1	8	41 4 9
„ -	On the first Monday in March, June, September, and December of each year	25	17 10 7	12	58 15 4
„ -	On the third Monday in January, April, July, and October of each year -	30	15 7 3	16	74 2 7
„ -	On the third Monday in February, May, August, and November of each year -	35	13 5 11	20	87 8 6
„ -	On the third Monday in March, June, September, and December of each year	40	11 7 0	24	98 15 6

Tables 6 and 7 are similar to Tables 3 and 5, but with this exception, that the premiums payable under Tables 3 and 5 are so payable to the close of life, whilst the premiums payable under Tables 6 and 7 are payable only until the assured person attains the age of 60 years. It is believed that these Tables will prove useful to persons whose incomes are likely to suffer diminution at or about the time of their attaining the age of 60 years.

8. The sums insured under Tables 1 to 7 will be payable to the representatives of assured persons immediately on proof of death.

9. Table 1 of the Tables for the grant of Annuities shows what amount of Monthly Allowance, to commence after the expiration of a term of years, can be purchased according to the age and sex of the person upon whose life the allowance is to depend, by a payment throughout that term of years of eight shillings per month. From this Table the amount of Monthly Allowance purchasable by a larger or that purchasable by a smaller monthly payment than eight shillings, or that purchasable by a less frequent payment may readily be computed, and the Table may be read thus:

If A.B., being 20 years of age, shall pay eight shillings per month in four instalments of two shillings each until he reaches the age of 55, he will then receive for the rest of his life a Monthly Allowance of 2*l.* 12*s.*, which will be equivalent to an allowance of 12*s.* per week throughout the whole year; and if he shall pay from the same age and through the same term twelve shillings per month, in four instalments of three shillings each, he will receive, when he reaches the age of 55, a Monthly Allowance of 3*l.* 18*s.*, which will be equivalent to an allowance of 18*s.*, per week throughout the whole year. If, however, he cannot afford to make so large a monthly payment, and shall pay from the same age and throughout the same term no more than four shillings per month in two instalments of two shillings each he will receive, when he reaches the age of 55, a Monthly Allowance for the rest of his life of 1*l.* 6*s.*, which will be equivalent to an allowance throughout the whole year of 6*s.* per week; and if he shall pay no more than two shillings per month he will receive at the age of 55 a Monthly Allowance of 13*s.*, which will be equivalent to an allowance throughout the whole year of 3*s.* per week.

Under this Table also progressive purchases may be made, according as the circumstances of the purchaser shall permit him to increase the amount and frequency of his payments. The following is an illustration of a progressive purchase of a Monthly Allowance.

The Purchaser	By paying an instalment of two shillings	From the age of	Secures a monthly allowance to commence at 55 of	His total monthly payment rises to	And the amount of monthly allowance which he undertakes to purchase rises to
			£ s. d.	s. d.	£ s. d.
A.B.	On the first Monday in each month	} 10	1 2 0	—	—
"	On the third Monday in each month		} 15	0 17 1	4 0
"	On the second Monday in each month	} 20		0 13 0	6 0
"	On the fourth Monday in each month		} 25	0 9 8	8 0

If A.B. keeps up his payments to the age of 55 he will receive for the rest of his life a Monthly Allowance of 3*l.* 1*s.* 9*d.*, which will be equivalent to an allowance throughout the whole year of 14*s.* 3*d.* per week.

Table 2 of the Tables for Government Annuities shows,

a.\* What payment must be made, according to the age and sex of the purchaser, every year throughout a term of years to secure an annuity of 1*l.* for life at the expiration of such term of years; and,

b.\* What sum must be paid down at the commencement of the term to secure a like annuity at the end of the term.

The annual or single payments required for the purchase of any amount of annuity within the prescribed limits may readily be ascertained from this Table, and the Table may be read thus:—

	£ s. d.
A.B. by paying 1 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> annually from the 21st to the 56th year of his age secures an annuity for the rest of his life of	10 0 0
and by paying 2 <i>l.</i> 13 <i>s.</i> 4 <i>d.</i> annually secures an annuity of	20 0 0
and by paying 4 <i>l.</i> annually secures an annuity of	30 0 0
and by paying 5 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> annually secures an annuity of	40 0 0
and by paying 6 <i>l.</i> 13 <i>s.</i> 4 <i>d.</i> annually secures an annuity of	50 0 0
or A.B. by paying down, in the 21st year of his age, 23 <i>l.</i> 13 <i>s.</i> 4 <i>d.</i> secures for himself, from the 56th year of his age, an annuity of	10 0 0
and by paying down 47 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> secures an annuity of	20 0 0
and by paying down 71 <i>l.</i> secures an annuity of	30 0 0
and by paying down 94 <i>l.</i> 13 <i>s.</i> 4 <i>d.</i> secures an annuity of	40 0 0
and by paying down 118 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> secures an annuity of	50 0 0

Again, under Sub-Table (a.) or Sub-Table (b.) progressive purchases of Annuities may be made until the total amount purchasable under the Act has been secured.

The illustration which has already been given of the progressive purchase, of a Monthly Allowance, by gradually increasing the Monthly Payments for such Allowance, will sufficiently indicate the manner in which an Annuity may be purchased progressively by a gradual increase in the amount of the

\* To the first annual payment for an annuity purchased under Sub-Table a, and to the single sum paid for an annuity purchased under Sub-Table b, will be added a small fee, to cover costs and charges, and proportioned to the amount of the annuity.

annual payments for such an Annuity. The following, however, is an illustration of the progressive purchase of an Annuity by single payments.

Thus :

	£	s.	d.	An Annuity to commence at 55.	£
A.B., being 10 years old, pays	1	12	1	and secures	1
"   13      "	7	3	8	"   "	4
"   15      "	3	17	6	"   "	2
"   20      "	14	4	0	"   "	6
"   23      "	5	8	6	"   "	2
"   24      "	2	16	10	"   "	1
"   27      "	16	6	3	"   "	5
"   29      "	7	2	10	"   "	2
"   33      "	4	5	6	"   "	1
"   35      "	4	13	6	"   "	1
"   36      "	4	17	9	"   "	1
"   38      "	10	13	10	"   "	2
"   40      "	11	14	4	"   "	2

Or in all - £30

The whole Annuity of 30*l.* to be payable from the age of 55 to the close of life.

It must be borne in mind that the Tables, of which the foregoing illustrations have been given, have been framed *on the condition that no part of the Purchase Money shall in any event be returnable.* The Tables for the Grant of Deferred Annuities or Monthly Allowances on condition of the purchase money being returnable are still under consideration.

10. The Table for the Grant of Immediate Life Annuities which is contained in the Appendix requires little explanation. It may be read thus :—

A.B., being in his 36th year, may purchase an Immediate Annuity of 50*l.* on his own life by a payment of 881*l.* 0*s.* 10*d.*, and may purchase an Annuity of 10*l.* by a payment of 176*l.* 4*s.* 2*d.*

C.D., being in her 36th year, may purchase an Immediate Annuity of 50*l.* on her own life by a payment of 951*l.* 0*s.* 10*d.*, and may purchase an Annuity of 10*l.* by a payment of 190*l.* 4*s.* 2*d.*

## APPENDIX C.

**MEMORANDUM** illustrative of the Tables for the grant of Deferred Monthly Allowances, and Deferred Annuities, on the condition that the Purchase Money shall be returnable without interest, in case the person on whose life the Monthly Allowance or Annuity is to depend shall die before the commencement of the Monthly Allowance or Annuity, or in case the Purchaser shall wish, before such commencement, to give up the Purchase.

These Tables, which are referred to as in course of preparation at pages 6 and 15 of the Preface to the Tables issued in April last, and which are also referred to in clause 26 of the Regulations, have been approved by the Treasury, and submitted to Parliament in accordance with the provisions of the Act 27 & 28 Vict. cap. 43. The Postmaster General is prepared now to grant Contracts in accordance with these Tables.

The following is an illustration of the Table for the grant of Deferred Monthly Allowances, Money returnable :—

If A.B., being 35 years of age, shall pay sixteen shillings per month, in four instalments of four shillings each, until he reaches the age of 60, he will then receive for the rest of his life a Monthly Allowance of 2*l.* 12*s.*

which will be equivalent to an allowance of 12*s.* per week throughout the whole year; and if he shall pay from the same age and through the same term twenty-four shillings per month, in four instalments of six shillings each, he will receive, when he reaches the age of 60, a Monthly Allowance of 3*l.* 18*s.*, which will be equivalent to an allowance of 18*s.* per week throughout the whole year. If, however, he cannot afford to make so large a monthly payment, and shall pay from the same age and throughout the same term no more than eight shillings per month, in two instalments of four shillings each, he will receive, when he reaches the age of 60, a Monthly Allowance for the rest of his life, of 1*l.* 6*s.*, which will be equivalent to an allowance throughout the whole year of 6*s.* per week; and if he shall pay no more than four shillings per month he will receive at the age of 60, a Monthly Allowance of 13*s.*, which will be equivalent to an allowance throughout the whole year of 3*s.* per week.

If at any period of the time during which the Annuity is in course of purchase, he shall desire to discontinue the purchase, the sum paid by him will be returned to him, and in the event of his death before the commencement of the Annuity, the sum paid by him will be returned to his representatives.

The following is an illustration of the Table for the grant of Deferred Annuities, Money returnable:—

If John Jones, when in his 21st year, desire to purchase a Deferred Annuity of 10*l.* to commence when he reaches the age of 55, and to continue for the rest of his life, he may purchase it either by paying down 39*l.* 7*s.* 6*d.* in one sum, or by paying 1*l.* 16*s.* 8*d.* a year until he reaches the age of 55, when he will no longer have to pay anything, but will have an annuity of 10*l.* for the rest of his life. And if Jane Jones, when in her 21st year, desire to purchase a Deferred Annuity of 10*l.* to commence when she reaches the age of 55 and to last for the rest of her life, she may purchase it either by paying down 45*l.* 16*s.* 8*d.*, or by paying 2*l.* 2*s.* 6*d.* a year until she reaches the age of 55, when she will have no more payments to make, and will have an annuity of 10*l.* paid to her for the rest of her life.

In either case the money paid would be returnable if the person on whose life the Annuity was to depend died before the commencement of the Annuity, or if the purchaser desired to discontinue the purchase at any time prior to the commencement of the Annuity.

## APPENDIX D.

**GOVERNMENT ANNUITIES AND INSURANCES GRANTED UNDER ACT  
27 & 28 VICT. CAP. 48.**

An ACCOUNT showing the Number and Amount of Sums received and paid, and the Number and Amount of Contracts granted by Her Majesty's Postmaster-General, under authority of the Act 27 & 28 Vict. c. 43., from the Commencement of Business on the 17th April 1865 to the 31st December 1865, together with the Number and Amount of Contracts in existence on the 31st December 1865, and the Amount paid for Charges of Management.

## (I.)

An Account showing the Number and Amount of Sums received and paid on Account of Government Annuity and Insurance Contracts from the Commencement of Business on the 17th April 1865 to the 31st December 1865.

	Receipts.			Payments.	
	No.	Amount.		No.	Amount.
To Cash received for the purchase of Annuities, viz. :—		£ s. d.	By Cash paid to the Commissioners for the Reduction of the National Debt for Investment on account of Sums received for the purchase of Annuities -		£ s. d.
	No.	Amount.			
For Immediate Annuities - -	87	22,738 9 9	By Cash paid to Annuityants, viz. :—		
For Deferred Annuities, Money not returnable -	27	845 7 10	Cash paid - - -	£ s. d.	
Ditto, Money returnable - -	40	497 7 6	Warrants issued, but not cashed at date -	423 18 4	
				5 10 0	33 429 8 4
		154 24,081 5 1	By Cash paid to the Commissioners for the Reduction of the National Debt for investment on account of premiums received on Contracts for Sums payable at Death - - - -		984 0 0
To Cash received for Fees on Annuity Contracts - - -		139 14 0	By Balance remaining to be paid to the Commissioners for the Reduction of the National Debt on the 31st December 1865, viz. :—		
To Cash received from the Commissioners for the Reduction of the National Debt for payment to Annuityants :—			On account of Annuity Contracts, including Fees - - -	£ s. d.	
				1,174 10 4	
Gross - - - -		£ s. d.	On account of Contracts for Sums payable at Death - -	181 13 1	1,356 3 5
		430 5 0			
Less Income Tax - -		0 16 8			
		429 8 4			
To Cash received on account of Contracts for the payment of Sums at Death - - - -	1,076	1,165 13 1			
		£ 25,816 0 6			£ 25,816 0 6



## (II.)

An Account showing the Number and Amount of Contracts entered into by Her Majesty's Postmaster-General from the Commencement of Business on the 17th April 1865 to the 31st December 1865, and the Number and Amount of Contracts in existence on the 31st December 1865.

		Contracts.	
		No.	Amount.
			£ s. d.
Contracts for Annuities granted from the commencement of business on the 17th April 1865 to the 31st December 1865, viz. :-			
	£ s. d.		
Immediate Annuities - - - - -	87	2,100	0 0
Deferred Annuities, Money not returnable - - - - -	20	433	4 0
Deferred Annuities, Money returnable - - - - -	25	511	10 0
		132	3,049 14 0
Contracts for Sums payable at Death granted from the commencement of business on the 17th April 1865 to the 31st December 1865 - - - - -			
		547	40,649 2 4
Contracts for Annuities in existence on the 31st December, 1865, viz. :-			
	£ s. d.		
Immediate Annuities - - - - -	87	2,100	0 0
Deferred Annuities, Money not returnable - - - - -	20	433	4 0
Deferred Annuities, Money returnable - - - - -	25	511	10 0
		132	3,049 14 0
Contracts for Sums payable at Death in existence on the 31st December 1865 - - - - -			
		544	40,349 2 4

## (III.)

An Account showing the Amount paid for the Charges of Management from the Commencement of Business on the 17th April 1865 to the 31st December 1865.

	£ s. d.	
Salaries of Officers - - - - -	139	0 10
Stamps on Policies - - - - -	32	10 0
Fees to Medical Officers - - - - -	13	7 6
Incidental disbursements, including Travel- ling Charges - - - - -	7	3 8
Postage - - - - -	123	4 6
	335	6 6

LONDON :

Printed by GEORGE E. EYRE AND WILLIAM SPOTTISWOODE,  
Printers to the Queen's most Excellent Majesty.  
For Her Majesty's Stationery Office.