

The money-order business transacted with the British colonies and with foreign countries is about equal in importance, but the latter showed a far greater expansion in the years 1870 to 1876. The total number of colonial orders in 1870 was 143,211, transmitting £600,981; and in 1876 the number had risen to 145,838, but the amount fell to £572,752. On the other hand, the total number of foreign money orders rose from 47,431, transmitting £172,983, in 1870 to 211,163, transmitting £612,925, in 1876. In the case of both colonial and foreign money orders, the number and amount arriving from abroad are far greater than those sent away.

Post-office savings banks.

Savings Banks.—The post-office, besides issuing and paying money orders, fulfils the duties of a national savings bank, and also of an insurance institution, granting life insurance policies and annuities. The post-office savings banks, established by Act of Parliament in 1861, held a total amount of £26,996,550, standing in the names of 1,702,374 depositors, at the end of 1876. The proportion of depositors to population at that date was one to 15 in England and Wales, one to 71 in Scotland, and one to 87 in Ireland. In the whole of the United Kingdom it was one to 19. The average daily number of deposits in the year 1876 was 10,347, and the average amount standing to the credit of depositors, £15, 17s. 1d. It is a notable fact that, although the majority of depositors undoubtedly belong to the labouring classes, including servants, the transactions of the post-office savings bank are much larger in winter than in summer. The greatest number of deposits in the year 1876 occurred on the 31st January, when it reached 25,053, considerably more than double the average daily number. There were 5448 post-offices open as savings banks at the end of 1876. (See page 256 below.)

Post-office life insurance and annuities.

Life Assurance.—While the post-office savings banks proved a great success, ever growing, and evidently much appreciated by the public, the same cannot be said about the life insurance and annuity department. It showed some vitality in the first few years after its establishment, from 1865 to 1872, but after this date both the insurance and annuity contracts greatly declined. In 1872 the number of life policies granted was 757, insuring £55,982; while in 1876 the number had fallen to 270, insuring £22,875. During the same period the number of annuity contracts fell from 1057 in 1872 to 758 in 1876, the total receipts in the latter year, both for immediate and deferred annuities, not amounting to more than £111,775. The almost insignificant amount of the transactions seems to show that this department of the post-office has no vitality, the field being already fully occupied by private enterprise.

Postal telegraph system.

Telegraphs.—Subsequent to the establishment of the money order, the savings banks, and the insurance departments, a business of immense importance was added to the functions of the post-office in the control and management of all the telegraphs of the kingdom. It was not without much doubt and misgiving that parliament consented to add to the Government monopoly of conveying letters that of sending messages by electric wires; but after long discussions in 1866 and 1867, the system was approved of by the legislature the year after. An Act, 31 and 32 Vict. c. 110, authorizing the purchase of all the telegraphs by the Government, for the purpose of being added to the machinery of the post-office, was passed in the session of 1868, receiving the royal assent on the 31st of July. It was followed by another statute, 32 and 33 Vict. c. 73, establishing the monopoly. The chief reasons for passing the Act of 1868 were given in the preamble, which declared that "it would be attended with great advantage to the state, as well as to merchants and traders, and to the public generally, if a cheaper, more widely extended, and more expeditious system of telegraphy were established, and to

that end [it is recommended that] the postmaster-general be empowered to work telegraphs in connection with the administration of the post-office." It was stated in parliament during the debates on the Act that, under the then existing system of private telegraph companies, severely competing with each other for the most remunerative business, there were 700 towns in the kingdom having a surplus service, each being attended to by two, three, or more companies, with offices close together, in the central parts; while, on the other hand, there existed 486 towns with no telegraphic facilities, except, perhaps, that offered by the nearest railway station. It was this fact which weighed, more than any other, in giving the future control of the telegraphs to the post-office, to be worked as a state monopoly.

There were, when the Act of 1868 was passed, 13 telegraph companies in existence within the United Kingdom, including several which owned submarine cables for international service. There were, besides, 83 railway companies possessing electric telegraphs, for the use of the public as well as their own service. Altogether these 83 railway companies had constructed for themselves 5157 miles of lines, comprising 16,191 miles of wire, with 1226 stations for public use; while the 13 telegraph companies possessed 16,879 miles of land lines, made up of 79,646 miles of wire, besides 4688 miles of submarine cable, containing 8122 miles of wire imbedded, with 2155 stations. Under the Act of Parliament, only 3 telegraph companies, the Electric, the British and Irish Magnetic, and the United Kingdom Telegraphic, had specified sums allowed to them for their property, and with all the rest the purchase money had to be settled by agreement, if requisite through an arbitrator appointed by the Board of Trade. It necessarily took some time to settle these matters, which involved payment of over six millions sterling; but the task was accomplished, on the whole, with remarkable rapidity; and on the 5th of February 1870, the post-office commenced the working of all the telegraph lines of the United Kingdom.

The vast increase of telegraphic communication immediately after the new state organization, and its subsequent progress, is shown in the subjoined table, which gives the total number of messages forwarded from the year 1870—commencing February 5—to the 31st of March 1877, the last period comprising fifteen months, to bring, as previously explained, the postal accounts into uniformity with the general financial accounts of the kingdom:—

| Year ended | Number of Messages. | | |
|---------------------------------------|---------------------|-----------|-----------|
| | England and Wales. | Scotland | Ireland. |
| 31st December 1870 | 4,655,627 | 955,116 | 533,950 |
| 30th December 1871 | 6,300,867 | 1,305,596 | 800,328 |
| 28th December 1872 | 7,664,463 | 1,677,203 | 1,118,092 |
| 27th December 1873 | 8,963,818 | 1,942,610 | 1,280,731 |
| 26th December 1874 | 10,034,685 | 2,141,030 | 1,363,195 |
| 25th December 1875 | 10,775,279 | 2,272,465 | 1,434,996 |
| 15 months ended 31st March 1877 | 13,485,279 | 2,905,242 | 1,861,811 |

More than one-half of the whole number of messages of England and Wales forwarded by post-office telegraphs are metropolitan. The number of London messages was 2,462,039 in 1870, and rose to 4,398,262 in 1872, to 5,577,724 in 1874, and to 8,188,107 in the 15 months ended the 31st March 1877. The number of post-offices open for the transaction of telegraph business in the United Kingdom on the 31st of March 1877 was 3734, in addition to which messages were received at and delivered from 1636 railway stations. The staff exclusively engaged on telegraph duties numbered 11,654, comprising 21 superior officers, 6656 clerks, and 4977 messengers.

Working of postal telegraphs.

By the terms of the Act of 1868, establishing the system of postal telegraphs, all the railway companies retain the privilege of transmitting messages relating to their own service free of charge, on the wires running along their lines. To the public a uniform rate of transmission is charged, irrespective of distance. The charge was fixed, provisionally, at one shilling for every twenty words, and threepence for every additional word, the names and addresses of senders and receivers not being included in the number. The payments were originally made in postage stamps; but on the 1st of April 1876, distinctive telegraph stamps for the prepayment of messages were introduced. Forms of receipts for messages were brought into use on the 1st of February of the same year, but it was stated in the twenty-third report of the postmaster-general, dated August 4, 1877, that up to that time "very little use had been made" of this innovation by the public.

Receipts and expenditure of telegraph department.

The subjoined table gives the total receipts and the net revenue of the postal telegraphs, from their establishment, on the 5th of February 1870, to the end of the financial year 1876-77:—

| Years ended 31st March. | Total Telegraph Revenue. | Telegraph Working Expenses. | Net Revenue. |
|-------------------------|--------------------------|-----------------------------|--------------|
| 1870 (2 months) | £ 100,760 | £ 62,273 | £ 38,487 |
| 1871 | 696,934 | 394,477 | 303,457 |
| 1872 | 751,611 | 591,776 | 159,835 |
| 1873 | 989,921 | 874,946 | 114,975 |
| 1874 | 1,083,466 | 967,790 | 115,676 |
| 1875 | 1,137,079 | 1,077,347 | 59,732 |
| 1876 | 1,276,662 | 1,031,524 | 245,116 |
| 1877 | 1,313,107 | 1,123,257 | 189,850 |

The total gross receipts of the post-office, from postage, money orders, and other sources, exclusive of telegraphs, in the financial year ending March 31, 1877, amounted to £6,017,072, and the total expenditure to £4,070,006, leaving a net revenue of £1,947,066. In the year 1840, the date of the introduction of the "penny post" and the establishment of the post-office on its present organization, the total gross receipts were £1,359,466, while the net revenue was £500,789. The gross receipts increased at a much larger rate within the period from 1840 to 1877 than the net receipts, which latter fell for some years, notably from 1867 to 1871, through great and costly improvements being made in the service. The chief branches of expenditure in the year ended March 31, 1877, were £2,046,065 for salaries, wages, and pensions; £779,632 for conveyance of letters and packets by mail boats and private ships; £684,465 for conveyance of letters by railways; and £171,370 for the same service done by coaches, carts, and other vehicles. The total expenditure of the money-order department in the year ended March 31, 1877, resulted, according to the report of the postmaster-general before cited, in a loss of £10,000, which deficit was expected to be greater in future years, owing to "the large increase in the number of inland money orders for small amounts, on which the commission is insufficient to cover the cost of the service."

Staff.—The total staff of officers and servants employed by the post-office at the end of 1876 was 45,024, inclusive of 11,654 persons attending solely to telegraph duties. Of post-office clerks there were at the date 3380; of postmasters, 13,447; and of letter carriers, sorters, and post-office messengers, 16,327. In London alone, the staff of the post-office comprised 10,380 persons, of which number 5500 were attached to the chief offices in St Martin's-le-Grand. In 1840 the total number of post-offices in the United Kingdom was 4500; and at the end of 1876 they had increased to 13,447, besides which there were 10,724 road letter-boxes. It is now an established

fact that not any other Government department of modern times has succeeded like the post-office in the double task of augmenting the welfare of the nation and at the same time increasing the public revenue.

IX. National Revenue and Expenditure.—Taxation.

The finances of no European state are in a more admirable condition than those of the United Kingdom. Not only is the national revenue, requisite to meet the expenditure, raised with the utmost facility, but for many years the balance of them has been complete, an annual surplus being the rule, and a deficit the exception, in most financial periods. In the half century intervening between the years 1827-28 and 1876-77, both the expenditure and revenue rose to but a comparatively small degree, far below all proportion with the vastly increased wealth of the nation during the same period. In the financial year 1827-28 the total public revenue amounted to £54,932,518, and the expenditure to £53,800,291; while in the financial year 1840-41 the total revenue was £47,433,399, and the total expenditure £49,285,396. Thus, in the course of thirteen years, the fiscal burthens laid upon the population, augmented by nearly two millions in the meantime, instead of being increased, had been greatly lessened. Subsequently, from 1841 to 1877, a gradually increasing expenditure took place, together with a rising public revenue; but the upward movement was slight, and much below the growth of the population in numbers, and, still more, in wealth. At the end of the next decennial period, in the financial year 1850-51, the total revenue had risen to £53,057,053, and the expenditure to £49,882,322; and at the end of another decennial period, in the financial year 1860-61, the revenue stood at £70,283,674, and the expenditure at £72,792,059. At the end of the next decennial period, in the financial year 1870-71, the total revenue had fallen to £69,945,220, and the expenditure to £69,548,539. During the whole of the thirty years from 1840-41 to 1870-71, there were but few annual periods without a surplus of revenue over expenditure.

The subjoined table shows the total revenue and the total expenditure of the government, together with the proportion of receipts per head of population of the United Kingdom, in every fifth financial year from 1841 to 1871, and each year thereafter to 1877. Up to 1854, the financial years ended April 5; but, commencing from 1855, the financial years ended March 31. Till the year ending March 31, 1856, the net revenue and expenditure were always given in the official returns; but, commencing with the year ending March 31, 1871, the accounts furnished, more correctly, the gross expenditure and revenue, the latter including charges for its collection:—

| Years ended April 5th and March 31st. | Total Revenue. | Total Expenditure. | Proportion of Revenue per Head of Population of United Kingdom. |
|---------------------------------------|----------------|--------------------|---|
| 1841 | £ 47,433,399 | £ 49,285,396 | £ s. d. 1 15 9 |
| 1846 | 52,009,324 | 49,628,724 | 1 17 5 |
| 1851 | 53,057,053 | 49,882,322 | 1 18 6 |
| 1856 | 65,704,491 | 88,428,345 | 2 10 7 |
| 1861 | 70,283,674 | 72,792,059 | 2 8 10 |
| 1866 | 67,812,292 | 65,914,357 | 2 5 1 |
| 1871 | 69,945,220 | 69,548,539 | 2 4 5 |
| 1872 | 74,708,314 | 71,490,020 | 2 7 3 |
| 1873 | 76,608,770 | 70,714,448 | 2 8 2 |
| 1874 | 77,335,657 | 76,466,510 | 2 8 2 |
| 1875 | 74,921,873 | 74,328,040 | 2 6 3 |
| 1876 | 77,131,693 | 76,621,773 | 2 7 1 |
| 1877 | 78,565,036 | 78,125,227 | 2 7 6 |

The largest surplus in the course of the thirty-six years from 1840-41 to 1876-77 occurred in the financial year VIII. — 31