

IMPERIAL PENNY POSTAGE.

LETTERS TO MINISTERS.

BY

J. HENNIKER HEATON, M.P.

LAST year I published the case for the institution of Imperial Penny Postage; that is, the system under which the empire would become a single postal district, and a penny stamp would frank a letter, not merely from street to street, or county to county, but from one end of the Queen's dominions to the other—from Calcutta to Vancouver, from Edinburgh to Sydney. It was shown that the actual cost of the carriage—that is, the sum which must be paid in order to yield a fair profit to the carrier—of a single letter halfway round the globe, by sea and land, by railway and steam-packet, was but a fraction of a penny. The supreme importance of encouraging correspondence between our countrymen in the United Kingdom and their friends and relations in the colonies was pointed out, together with the keen stimulus which cheap postage has invariably administered to trade. Finally, attention was called to the remarkable consensus of public opinion in favour of the reform advocated. Up to this moment, indeed, I am not aware that a single newspaper of importance, here or in the colonies, has opposed it. And, with a solitary exception, I cannot recall the name of one person of the least eminence who is against the scheme. Such remarkable unanimity of feeling has probably never been evinced on any question of reform all through our long national history. The idea of a common postage stamp for all those scores and hundreds

of millions over whom Queen Victoria's sceptre is extended has already become as popular, and seems as natural and significant, as that of a common flag. I dwell upon this because, as we all know, the instinct pervading great masses of men on a disputed question of general interest is as infallible an index of the truth as the magnetic needle is of the polar star.

Three points, I say, are not disputed: first, that her Majesty's subjects are calling unanimously for this reform; secondly, that it would have a most beneficial influence on our trade, and on imperial relations; and thirdly, that no increased expenditure would be involved. The question naturally suggests itself, Why, in these circumstances, has the reform not been carried out?

REASON OF DELAY.

I am afraid the answer must be, Because the masses who call for it are the poorest of the poor, the relatives of millions of emigrants who have gone out to better themselves; friendless, without access to the Press, and without direct representation in Parliament; because they are not concentrated at one point, but scattered all over the world, so that they cannot bring united pressure to bear on the Cabinet. The old labourer, with bowed shoulders and trembling limbs, the workhouse widow, and other helpless folk of that kind receive the proposal with a kind of rapture; their eyes brighten, the colour returns to their cheeks; but who marks them? The trading classes are interested. But the merchant, if he be charged too much for his correspondence with the outer world, simply adds the excess to the price of his goods, and hugs himself in the thought that his customers pay the postage on his letters and samples for him. He forgets that—as was recently pointed out by Sir Lyon Playfair—the difference of a small fraction of a penny per lb. may determine the question of the command of a foreign market. And it is needless to speak of the vital concern we all have, rich and poor, in the prosperity of our foreign and colonial trade. In some form or other—through profits, interest, wages, or otherwise—we all live by it; and without it we should have to devour one another, like starving cheese-mites. It is worth while to consider for a moment the unparalleled proportions of British trade, and the amazing growth of the empire.

GROWTH OF THE EMPIRE.

Before that great and wise Englishman, Raleigh, annexed Virginia, our sovereigns possessed no colonial territory, and, indeed, had enough to do to hold their own in these islands. Now the United Kingdom is but a tiny portion of Queen Victoria's dominions; smaller than the heart is as compared with the body, or the cylinder as compared with the war-ship. Our home population has long outgrown its means of subsistence; the food upon our tables comes to us from distant dependencies, and the clothes upon our backs are spun from colonial wool. By supplying manufactured goods for colonial consumption, the larger part of our labouring classes is supported, and the wages thus earned are the main source of supply for our agricultural classes. Year by year our home population grows, while the area of cultivable land in the three kingdoms remains the same. Fortunately, we have limitless lands beyond the sea, sufficient for the occupation of our teeming race for ages to come. Every year a quarter of a million of our sturdiest sons emigrate to the colonies, carrying with them a liking for our laws, our customs, and our goods—in fact, for everything that comes from, or has its origin in their beloved Fatherland. How greatly such a feeling is stimulated by the existence of ties of blood and relationship, binding them to parents, brothers, and sisters left behind in the Old Country, I need not point out. It is obvious that those ties of affection have inestimable value in the case of an empire like ours, made up of communities widely separated from each other. And how can they be strengthened more effectually than by fostering correspondence between the exiles and their friends in the United Kingdom by means of cheap postage?

THE ARGUMENT OF POLICY.

Within the last few years our Sovereign's dominions have been increased nearly one-fifth by African Protectorates. Her subjects number 343 millions, and their trade amounts to £1,218,000,000 per annum. Our merchants own nearly 12 million tons of shipping, or more than half the total tonnage afloat, and our commerce is protected by some 500 ships of war. Seven hundred thousand red-coats barely suffice to garrison the strategic points of the empire. Our language is spoken by a hundred millions of men, fifty millions more understand it, though they do not

habitually employ it, and it bids fair to become the Volapük, or universal medium of communication. For extent, for wealth, for population, for power, there never was before, there cannot be again, such an empire as this of Queen Victoria. But the danger of disruption arises from its very magnitude. An army spread out in line may be broken through at any point; and to obviate this danger the troops are trained to concentrate, on a given signal, at the threatened spot. This would be impossible without the feeling so accurately expressed by the phrase *esprit de corps*, which teaches the soldiers that safety consists in standing by one another, whenever and wherever the attack comes. It is precisely this sentiment—an imperial *esprit de corps*—which Ocean Penny Postage is calculated to develop. This, and this alone, can rally and concentrate the array of diverse nationalities, conflicting creeds, and divergent interests, spread over three-fourths of our planet, which is collectively known as the British Empire.

THE COMMERCIAL ARGUMENT.

Every statesman acknowledges the justice of the demand of commercial men for the cheapest possible postage to the outer world. To oppose it would be to act the part of the obstinate landowner, who, on receiving a large addition to his acres under a will, refused to spend more than before in seed-corn, manure, etc. "But you must buy more seed, now that you have more land," said his children. "Not I," answered the old man; "my father spent so much a year for seed-corn, and I won't spend a penny more than he did." I am sorry to say that the Parliament of this country has not yet risen to the occasion by realizing the growth of the empire, and the effect of cheap postage on trade.

A POOR MAN'S QUESTION.

Nor do I find that the thought of the slow process of estrangement between brothers and sisters, between parents and children, which is the usual result of emigration, disturbs the official conscience in the least. "Twopence halfpenny is more than a penny," reason our rulers; "*argal* Imperial Penny Postage must mean less profit. As for postal rates to the colonies being too high for the poor man's pocket, that does not hurt me. I have no poor relations, and no member of my family has yet been obliged to emigrate."

This is essentially a poor man's question. The poor man is obliged to count his pence before parting with them. If he writes a letter to a son or cousin across the ocean, he does something to bind that son or cousin to the Old Country, and thus he serves the State. How foolish, then, is it to fine him two or three times the cost of sending his letter for the heinous crime of indulging in this outburst of natural affection! In how many humble homes has that affection been chilled and extinguished by the niggardly policy of our rulers in this respect! It is impossible to plead ignorance. The subjoined letters, addressed by me to leading members of the Cabinet, have placed the facts fully before them, and the net result is a decision to leave the matter as it is. My duty is performed; and the rest remains with the public. One final effort I invite from the Press, which has so nobly advocated Imperial Penny Postage from the outset. Let it express its judgment, fairly and without favour, on this correspondence; and tell every man, woman, and child with eyes to read its message, that in the words "Imperial Penny Postage" are perchance bound up the prosperity of commerce, the happiness of countless millions, and the safety of the empire!

J. HENNIKER HEATON.

March, 1892.

APPEAL TO THE PREMIER.

36, Eaton Square, London
October, 1890.

TO THE MOST HONOURABLE THE MARQUIS OF SALISBURY, K.G.,
PRIME MINISTER.

MY LORD,

At length, after visiting various parts of the world, and exhausting every available source of information, I am in a position to forward to your lordship a complete statement, showing in a bird's-eye view the amount of postal correspondence despatched to the United Kingdom every year from the principal British colonies, and from foreign countries. This information could not be supplied by the British Post Office. (See Sir Arthur Blackwood's evidence before the Select Committee on the Revenue Estimates in 1888, answers to questions 872, 882, 945, *et seq.*) With this information before him, a Minister engaged in considering the question of improving our postal communication with the

outer world will for the first time be enabled to take in at a glance the total volume of the mails annually delivered here from beyond the seas, and to assign to each country of origin its share of the whole.

A BRIDGE WANTING AN ARCH.

My object in presenting this mass of statistics to your lordship is to urge once more, and for the last time, upon the Cabinet the immediate institution of Penny Postage to the colonies, and to the United States. In April last the Chancellor of the Exchequer announced the establishment of a uniform colonial letter rate of $2\frac{1}{2}d.$ per half ounce. Although this reduction would abolish certain scandalous anomalies against which I have long protested, it would give our trading classes no advantage whatever over the foreigner in the matter of writing to the colonies. But my fundamental objection to the view that we should be content with the new rate is that it does not go far enough to reach and benefit the millions of our poor countrymen who have relations in other parts of the world, or the emigrants themselves. It is like a bridge completed all but one arch, which still leaves a yawning and impassable chasm. It betokens either a lack of financial courage, or deficient confidence in the future of the empire. But whether this be regarded as a question of losing the paltry sum of £75,000 of revenue (the amount of loss expected by the Postmaster-General, although after allowing for the natural increase of correspondence it could hardly exceed £10,000 or £12,000), or as that of the possibility of a remunerative increase of colonial correspondence, there are ample materials in this letter for dealing with it. The well-to-do do not want a $2\frac{1}{2}d.$ rate, while the poor find it still too high for their pockets. A really popular rate must be the same as the familiar domestic rate of everyday life; if it be higher, it will not be popular—it will not reach the masses.

At the same time, it is gratifying to find that although the scale of postal taxation has, so far as regards correspondence with the colonies, admittedly been fixed far beyond the remunerative point, this unwise policy has not been able to prevent a surprisingly large increase of that correspondence all along the line. This increase is far from being proportionate to the rapid, almost bewildering development of the wealth and population of "Greater Britain," but it is more than sufficient to silence those who have hitherto maintained that a profitable addition to the mails could

in no case be expected from the lowering of the colonial rate to the home standard. As Sir Rowland Hill pointed out, the man who buys postage stamps is governed by the same considerations as affect the man who buys useful and indispensable goods subject to taxation. If the tax be raised beyond his means, he buys a smaller quantity of the taxed article, and the impost becomes unproductive; if the tax be lowered, he buys more of the article, up to the limit of his means and requirements. No one now denies that a 5*d.* to 6*d.* postal tax on a letter was too high, and the fact that there was still a considerable increase of correspondence must consequently point to the existence of the strongest motives and desire for written intercourse. These motives are obviously connected with, first, the vast trade conducted between the mother country and the colonies, and secondly, the close blood-relationship existing between millions of her Majesty's subjects here at home, and other millions beyond the seas. It is mainly to these millions that we must look to make the penny rate a success, a new source of happiness for the poor, an adamant band about the loosely compacted empire. The condemned rates have unhappily created among the emigrants and their friends in the United Kingdom a feeling that corresponding with one another is an expensive luxury, to be indulged in by prudent men as rarely as possible; and the only wonder is, that the habit of corresponding survives at all. As it is, we have sacrificed for many years past a profitable source of revenue. Whether we overload a camel or a taxpayer, Nemesis will surely attend us, and rapacity and inhumanity will bring their own punishment. And that the letter-writer in question is overtaxed is apparent from the fact that while the English people annually exchange among themselves here at home, under the penny rate, forty-two letters per head, one of them on emigrating, and coming under the heavy colonial rates, only writes home to his friends once in three years.

BRITISH TRADERS.

We have also to remember that hitherto our manufacturers have been severely handicapped in the competition with European rivals for colonial trade by the heavy postal rates which they have had to pay, amounting to double the rates charged to the foreigner. They are now to be placed, by the new 2½*d.* rate, on a level in this respect with the rest of the world. But is not some

compensation due to them for the injustice which they have so long been forced to endure? There are numerous industries which depend to a great extent on the existence of a cheap postal service, and there are none which may not be immensely stimulated and facilitated by such an agency. It is a policy worthy of your lordship's enlightened and patriotic character to provide British merchants with the means of writing to their colonial agents and customers two and a half times as often as German, French, or other foreign mercantile men can address their correspondents in our colonies.

THE INCREASE OF CORRESPONDENCE.

It must here be observed that the rate of increase in the colonial mails required, in order to secure a profit on the service, is after all not very high. We are now restricted, by Mr. Goschen's announcement, to the revenue derived from a uniform rate of $2\frac{1}{2}d.$ per half-ounce. It follows, that if the present volume of correspondence can be made one and a half times larger, the amount of revenue will be the same. Who will venture to maintain that such an increase could not be looked for? Why, the American mails to this country were three times greater in 1889 than in 1879, the Canadian mails were nearly four times greater in 1887 than in 1879, and the Australian mails (subject to the crushing $6d.$ rate) have, taking an average, more than doubled in ten years.

OBJECTION OF MR. RAIKES.

This question, whether the colonial mails could be increased one and a half times under the imperial penny rate, is the only one of importance that remains to be considered. This satisfactorily solved, the reform can no longer be decently delayed. Speaking to a sympathetic audience of postal officials at the Jubilee banquet on January 15th last, the Postmaster-General raised this very question as a fatal objection to the proposal. Such an objection is not necessarily fatal, by the way, as appears from his own words on this occasion, in referring to Inland Penny Postage—

“The revenue, as was expected, in the first instance declined, but the country was quite prepared to meet the declining revenue in order to secure the great boon. . . . The letters that are carried represent, I understand forty-two letters per annum for

each head of the population, whereas at the time before the penny post was instituted it was only three."

It may be added, that a loss of millions was expected on the institution of Inland Penny Postage, whereas the Postmaster-General only expects a loss of £75,000 from the establishment of Imperial Penny Postage—an estimate which takes no account of the certain increase of correspondence under the lower rate.

Proceeding, Mr. Raikes said—

"Sir Rowland Hill, when he devised the Penny Postage for the United Kingdom, had satisfied himself of what I will call the enormous area of productivity which he might look to in order to recoup the revenue. Take the cost of the Indian post. . . . It would be vain to expect any considerable increase of correspondence from that quarter."

"If you take the case of Australia, although the figures are more favourable to the reformer, they still land him in the hopeless position of inability to prove that he has that area of productivity, or anything approaching to it, which Sir Rowland Hill saw before him when he proposed his scheme."

Doubtless the Postmaster-General, in framing this challenge, selected the instances of India and Australia as those in regard to which it was most probable that the existence of an "area of productivity" (by which phrase he means the reasonable expectation of a remunerative increase in the mails) could not be established. It is still more certain that he chose them without any knowledge of the remarkable figures set out below. He could hardly have known, for instance, that in 1888 the number of letters sent to India from the United Kingdom, at the 5*d.* rate, was nearly two and a half times larger than in 1871, and that the total number of articles exchanged by post between India and foreign countries in the latter, was nearly three and three quarter times greater than in the earlier year; in other words, that 4,728,000 articles were exchanged through the post in 1871, and no less than 17 million articles in 1888. Nor could he have been aware of the vast strides which Australian correspondence, bound and shackled by the heaviest rates levied throughout the empire, has been making during the last ten years, as exemplified in the annexed tables, which show an increase of nearly two and a half times between 1879 and 1889.

SUMMARY OF STATISTICS.

[The following is an analysis of the tables referred to:—

UNITED STATES AND CANADA.—In 1880 the United States and Canada sent to England 5,093,000 letters, and in 1889, 10,456,000 letters, an increase of over 100 per cent. During those ten years the increase of our domestic correspondence was only 40 per cent.

INDIA.—In 1871-72 India sent to the United Kingdom 1,360,000 letters, and in 1888, 3,245,000 letters. The total number of all articles sent to and received from India through the post in 1871-72 was 4,728,503. In 1888-89 no less than 17,042,721 articles were exchanged.

CAPE OF GOOD HOPE.—In 1880 the number of letters sent from the Cape of Good Hope to England was 476,000; in 1888 no less than 896,000 letters were despatched from that colony to England.

NEW SOUTH WALES.—In 1879 New South Wales despatched 369,000 letters to England, and received 488,000 letters from us. In 1888 New South Wales despatched 724,000 letters to England, and received in return 1,130,000 letters.

VICTORIA.—In 1880 Victoria despatched 474,000 letters to, and received 528,000 letters from, England. In 1888 Victoria despatched 806,000 letters to, and received 981,000 letters from, England. In 1881 Victoria despatched to Europe 545,765 letters, and in 1890, 1,100,000.

SOUTH AUSTRALIA.—In 1874 South Australia received 336,000 articles from, and despatched 230,000 to, England. In 1883 South Australia received 706,000 articles by post from, and despatched 583,000 to, England. The increase in letters from 1880 to 1889 amounts to over 100 per cent.

QUEENSLAND.—In 1879 Queensland exchanged 324,000 letters with England, and in 1883, 622,000. In 1879 Queensland despatched 108,000 letters to England, and in 1889, 460,000 letters.

The returns from the minor colonies show in nearly every case an increase of from 100 to 300 per cent. in the ten years' correspondence with England.

NOTE.—Since the above summary was prepared, it has been ascertained that, owing to the introduction of the uniform $2\frac{1}{2}d.$ rate, there has been an increase of 14 (or, as I estimate it, 20) per cent. in the number of letters sent from the United Kingdom to the colonies, over and above the normal increase.

It should be remembered, in considering these figures, that for four letters received in this country from the outer world, we send out five.]

A PLAIN CONTENTION.

My contention is a plain one. If this general increase has occurred in the colonial mails under the old 5*d.* and 6*d.* rates, it is indisputable that a much larger and more rapid increase would ensue under a penny rate. Whether that increase would amount to the required one and a half volumes in the first year it is of course impossible to say. But on considering the above tables such an expectation would appear to be well founded; and in that case the estimated deficit of £75,000 would disappear altogether. In any case, we should not have to wait two years for its disappearance.

On the establishment of Inland Penny Postage the number of letters carried was more than doubled within twelve months. In 1840, however, the masses could not sign their names, while now everybody is able to read and write, and there are millions of possible correspondents being educated in our board schools. We are therefore refusing to the peoples of this vast empire a service urgently demanded by public opinion, and of the utmost consequence to their welfare and happiness, on the ground that it might be two years before the postal revenue of £12,000,000 recovered from the shock of the sacrifice of £10,000 or £12,000, devoted to securing Imperial Penny Postage. Surely this is but a blind and penny-wise policy for the richest country in the world; for the nation whose daily food depends upon its colonial and foreign trade; for the empire whose safety is absolutely bound up in the maintenance of the constant and unimpeded intercommunication of all its members.

THE POST OFFICE AUTHORITIES AND FOREIGN STATISTICS.

It is curious to compare the great attention bestowed upon foreign correspondence in the United States Postmaster-General's annual Report, with the contemptuous, studied indifference shown to the subject in the British Postmaster-General's Report. In the meagre British return, of 70 pages, painful efforts are apparently made to avoid allusion to foreign and colonial mail business, and the whole document is of an unmistakably parochial character. Of the 1097 pages in the comprehensive volume of Mr. Wana-

maker, no less than 90 pages, or 20 more than the entire report of Mr. Raikes, are devoted to statistics and other information, showing, with obvious pride on the part of the compiler, the growth of, and the increased expenditure upon the foreign mail service of the United States.

It may be interesting to your lordship to know that we in Great Britain and Ireland despatch annually to our colonies and to foreign countries six million more letters than we receive.

OFFICIAL OBJECTIONS.

Two minor objections to the institution of the Imperial Penny Rate must here be briefly noticed. The first is, that some of the colonial governments are not willing to establish a corresponding penny service to this country. But we are entirely independent of the colonies in the matter; and if we choose to have a penny service to every part of the empire to-morrow, we shall reap the benefit of it, while the colonies will not be forced to pay one farthing on account of it. The explanation of this is that under all postal conventions each country keeps its own postage, and delivers free all correspondence arriving from a foreign country. So that if any colony should decline to provide a penny return service, we shall not be hurt, or even concerned in the least.* But who can doubt the result of the establishment by the Mother Country of the Imperial Penny Service? The colonies only await our lead in the matter; if the heart be working, we may be sure that the vital circulating fluid will be returned to it. It is our duty and privilege to set the example in risking such a sum as £10,000 or £12,000 (or even, taking the officially estimated loss, £75,000), instead of abjectly leaving the initiative in a matter of imperial policy to some struggling young colony, with a twelfth of our population, and a twenty-fifth of our revenue. Queensland, I may here mention, has already reserved to herself the right to establish penny postage to England, while accepting the 2½d. rate. (See proceedings at the Adelaide Conference of April, 1890.)

But, it is urged, we have to set off, first, the cost of conveying the colonial mails to Dover or Liverpool; and secondly, the cost of delivering free the return correspondence from the colonies.

* Since the above was written I visited the principal colonies of the Empire, and the Colonial Governments have assured me that they have no objection to England at once establishing a penny rate, even though they could not immediately adopt a penny rate home.—H. II.

On the first head the answer is that the number of letters posted here for the colonies is so trifling, in comparison with the vast bulk of 2,500,000,000 articles annually delivered in this country by the department, that the cost of dealing with them is only an inappreciable percentage on the cost of handling the home mails, and, as I have elsewhere shown, could not exceed the sixth of a penny per letter. [I have repeatedly proved that the machinery is already provided, and that not an extra steamship, train, mail-cart, or letter-carrier would be required for the establishment of Imperial Penny Postage.]

As to the second item, the cost of delivering return correspondence, it is sufficient to point out that under the Postal Union we annually deliver, free, mails sent to us by colonial and foreign governments, on which those governments have received postage to the amount of £536,000, while they have to deliver free correspondence sent out by us, on which our government has received £764,000. Our Post Office benefits accordingly by the arrangement to the extent of £228,000 a year, which is about 19 times more than the possible first year's deficit under the penny rate. (See correspondence with the Postmaster-General of 10th October, 1889.)

SUMMING UP THE CASE.

My lord, you are by this time familiar with the general arguments in favour of the reform here advocated, but it may be as well to recapitulate them. I may remind you that—

1. The cost of conveying a letter for any distance by sea is at the outside one farthing, whereas the public is to be charged (say to Canada) ten farthings.

2. That in the case of the mails carried *viâ* Calais and Brindisi, the cost of transcontinental railway carriage might be reduced by negotiation with the French and Italian Governments, from one penny to one farthing per letter. But

3. That the principle of making each separate branch of the service pay cannot be, and is not, observed in the colonial, any more than in the home postal service, and that it is, in fact, inconsistent with the imperial idea.

4. That the subsidies paid to mail-packet companies, and charged against the colonial postal service, cover four distinct objects: (*a*) the conveyance of the mails, (*b*) the maintenance of a reserve fleet of cruisers, (*c*) the encouragement of trade with the colonies, and (*d*) the preservation of our commercial supremacy

upon the seas, and that the writers of letters to the colonies and foreign countries should only be charged with the cost of attaining the first of these four equally important ends.

RECKLESS EXPENDITURE.

Let me here mention an instance of the reckless expenditure which is charged against the writers of letters to the colonies and to foreign countries. The *Majestic*, the steamship in which I travelled recently to the United States, carried the British mails to New York, and her owners were paid by our postal authorities nearly £1000 for this service. I returned in the same vessel, and for carrying the American mails, of about the same weight as the British, to Liverpool, her owners received from the United States Post Office about £500. This means that we make a present of £500 of the letter-writers' money to these owners on every trip. We have, in fact, agreed to pay them 3s. a pound for the transatlantic conveyance of letters, whereas the American Government only pays them 1s. 8d. per pound. As there are two mails a week to New York, it follows that if we paid the same rate as the Americans, we could in three months save, on this route alone, the possible deficit of £12,000 on the institution of Penny Postage throughout the empire.

The *Majestic* also carried to America 2000 Lancashire, Welsh, and Scotch emigrants, who left behind tens of thousands of friends and relatives in this country. These men will soon begin to remit money to their families in the United Kingdom. In 1888, from 600,000 immigrants in the colonies and the United States, no less than £2,500,000 was received in small money orders by their poor relations over here. This amount would be doubled under a penny rate of postage.

I have included the United States, partly because so many millions of British subjects have relatives in that great country, partly because of the enormous volume of Anglo-American commerce, and partly because most of the Canadian mails are landed in New York, and it would obviously be unfair to charge one man 2½d. for carrying his letter to an American port, and another man 1d. for carrying his missive, first to the same port, and then some thousands of miles farther to its Canadian address. But I have reason to believe that we have delayed too long in this matter, and that the American Government will be the first to establish the penny transatlantic rate.

5. It is universally admitted that the extension of the benefits of Sir Rowland Hill's scheme to the whole of her Majesty's possessions, and to the United States, would lead to a large and timely development of our commerce; that it would confer widespread happiness on our poor, and on their emigrant sons and brothers, who are constantly adding to the wealth and power of the British dominions; and that by cultivating and intensifying the feelings of natural affection and friendship, which unite vast numbers of her Majesty's subjects in various parts of the world, it would effectually counteract the dissolvent influences of distance, prejudice, and conflicting interests upon the empire.

A LAST APPEAL TO THE GOVERNMENT.

My lord, I now appeal to the Cabinet for the last time on behalf of the struggling and hard-pushed British trader; on behalf of the dauntless young exile, proud of his British birth, but cut off from all intercourse with home; on behalf of the bereaved mother, waiting and yearning in that desolate home for news of him. If this appeal be answered and mocked by the tardy enforcement of the new rate [$2\frac{1}{2}d.$] referred to in the Budget, I can do no more than solemnly protest against a decision that will disregard at once reason, policy, and justice. It is true, such a decision could only postpone the reform, for there are sure indications that a majority of the House of Commons would support it at any moment. But as a consistent and devoted supporter of your lordship, I cannot but feel, in common with many of my political friends, a keen desire that your Government should twine the lustrous leaf of Imperial Penny Postage in its laurels, and secure for our party the merit of rounding off the extraordinary progress in postal reform which has been achieved by British initiative during her Majesty's long, glorious, and beneficent reign.

I have the honour to be, my lord,

Your lordship's most faithful servant,

J. HENNIKER HEATON.

P.S.—I enclose for your lordship's information a copy of a letter dealing specially with the case of Canada, which I lately addressed to Lord Knutsford.

S.S. Majestic,

October 6, 1890.

TO THE RIGHT HON. LORD KNUTSFORD, G.C.M.G.,
SECRETARY OF STATE FOR THE COLONIES.

MY DEAR LORD KNUTSFORD,

I am now on my way back to England after a brief trip to the United States of America, and through Canada from the Atlantic to the Pacific Ocean.

CANADA WOODED THROUGH THE POST.

I know that you are most anxious to be accurately informed as to the relations existing between the United States and Canada. I am aware that your sources of information are generally of the best character, but I question if you have had before you the advance of what I may be permitted to call the most insidious, yet certain means of cementing the union between the two countries—I allude to cheap postal communication. Both countries are in the Postal Union. Yet the postage from the United States to Canada—for instance, from New York even to Vancouver, B.C., 3500 miles distant by railway—is one penny for a letter weighing one ounce. Whereas a letter from New York to England, 3000 miles by sea, is $2\frac{1}{2}d.$ for a letter weighing half an ounce. These letters between the United States and Canada are so much seed; they yield a harvest of trade and good feeling between the two countries. Canada in a similar manner gives the same privilege to the citizens of the United States as to her own people, by merely charging the uniform local rate of three cents, shortly to be reduced to two cents, for a letter weighing an ounce from any part of the Dominion to any part of the United States. This friendly interchange has had the effect intended.

I directed my attention to the actual correspondence passing between the two countries. Thanks to Sir Charles Tupper, who furnished me with a letter of introduction to the Postmaster-General, the Hon. John Haggart, I obtained authority to visit every post office, including the travelling postal cars of Canada. At Toronto I found that three-fourths of the letters there posted, for places beyond the city, were for New York. At Montreal I was amazed at the enormous bags of correspondence despatched twice or thrice a day to the United States. In British Columbia—at Victoria and Vancouver especially—I found that outside

the local correspondence the mass of the letters were for the United States.

It may be said that it is natural that this should be. But the point to which I wish to direct your attention is, that the merchant in New York has postal facilities furnished him, so that he can tell the merchant in Canada, over 3000 miles distant, what he has to sell, or wants to buy, at 150 per cent. less rate of postage than the English merchant has to pay to tell the Canadian merchant. Surely if there is any desire for Imperial Federation, a reduction should be made in the postage to Canada, so as to place us in as good a position as the people of the United States.

I hardly think that too much importance can be attached to this subject, and I therefore ask you to secure for it the consideration of the Cabinet. The concession would strengthen the position of the Imperial Government, and, as I have often pointed out, would be the most acceptable, the least expensive, and most popular gift you could make to your people. The colonists would recognize that you wish to place them on an equality with England itself.

I enclose the answer to a question I put in the House of Commons, showing that the whole cost of establishing Imperial Penny Postage would be £70,000 over and above the present expenditure, which becomes a bagatelle, having regard to the £13,000,000 revenue and £3,000,000 profit derived from the British Post Office. The cost of the particular concession I am here pressing on your consideration would probably not exceed £2000 for the first year.

I have, etc.,

J. HENNIKER HEATON.

36, Eaton Square, S.W.,
November 7, 1890.

TO THE CHANCELLOR OF THE EXCHEQUER.

DEAR MR. GOSCHEN,

As you are doubtless aware, I have forwarded to Lord Salisbury, for his and your joint consideration, complete returns of the correspondence exchanged between the United Kingdom and the colonies and foreign countries, together with a summary of the arguments in favour of the immediate adoption of Imperial

Penny Postage. Since despatching that document, I have obtained and worked out some further information, bearing upon the subject, which so directly concerns you, as Chancellor of the Exchequer, that I feel sure you will excuse me for laying it before you at once, for your and the Prime Minister's consideration.

I, of course, welcome the $2\frac{1}{2}d.$ rate as a step in advance, but there seems to be a general feeling that if the thing is worth doing at all it is worth doing thoroughly. It is demonstrable that we can have penny postage to every part of the empire, and to the United States, for an expenditure of about £12,000 more than the uniform $2\frac{1}{2}d.$ rate will cost us; and further, that we can have and profit by the penny rate, though some of the colonies should decline to adopt a return penny service, our postal arrangements being entirely distinct from, and independent of theirs. Probably, however, all the important colonies (I do not say their Ministers) would welcome the penny service, which, as they would soon find, would cost them nothing. It was confidently predicted that they would not accept the $2\frac{1}{2}d.$ rate; but they have accepted it. And it is announced in the Press that Canada is actually about to institute penny postage to England; while Queensland has expressly reserved the right to establish the penny rate to the Old Country.

You will be pleased to know that on my recent visit to the United States I have found the American people very anxious to have a penny rate to England. You are aware that the American Postmaster-General has not a seat in Parliament. But he introduced me, not only to the President, but to the Chairman of the Postal Committee of the Senate, and the Chairman of the Postal Committee of the House of Representatives. From these gentlemen I received all possible assistance and encouragement. They entered heartily into my plans, and promised to give them favourable consideration. Senator Sawyer, however, Chairman of the Senate's Committee, informed me in writing that the Bill which would probably be introduced on the subject would certainly include Germany. (Such an extension of the scheme would naturally suggest itself to any American statesman.)

NEAR APPROACH TO IMPERIAL PENNY POSTAGE.

Perhaps you have hardly realized how closely you have approached to Imperial Penny Postage in fixing upon a $2\frac{1}{2}d.$ rate. By choosing that rate you sacrifice all the benefits which

the public might expect, and the gratitude upon which the Government might reckon, from the concession of Imperial Penny Postage, while you will be unable to prevent large numbers of letter-writers from enjoying a penny, or at least, a $1\frac{1}{2}d.$ rate. It is easy to explain this.

Let us suppose that the $2\frac{1}{2}d.$ rate is to be put in force, and take the case of correspondence for India, the East, and Australia, which is sent across Europe by rail from Calais to Brindisi. Of the $2\frac{1}{2}d.$ received for each letter, $1d.$ will have to be paid to France and Italy for the mail-train service, leaving $1\frac{1}{2}d.$ to our Post Office. Parliament, however, has sanctioned the institution of a cheap "all-sea" service to Australia, *viâ* the Straits of Gibraltar. The principle thus sanctioned was, that if the letter-writer chose to dispense with the Calais-Brindisi service, and so to make unnecessary the payment to France and Italy of the charge for conveying his letter to Brindisi, he should be charged a smaller sum for postage. The rate for this "all-sea" service was $4d.$ per half ounce, and last year we exchanged by it with the Australian colonies more than 280,000 letters, showing that the saving of $2d.$ was fully appreciated. Now that the postage *viâ* Calais and Brindisi is to be $2\frac{1}{2}d.$ per letter, of which $1d.$ will be paid to France and Italy, it is obvious that no more than $1\frac{1}{2}d.$ per letter can be charged by the all-sea service. This $1\frac{1}{2}d.$ rate is so near to the $1d.$ one, that it would seem hardly worth while to persist in denying the latter.

The alternative would be to revoke the concession of the "all-sea" service altogether, and insist that every person sending a letter to Australia, or writing home from that country, should, willy-nilly, use the Calais-Brindisi route, and pay one penny, which he would fain keep in his pocket, to two foreign governments, for a service not required or asked for by him.

Two important points, which have not been dealt with in the letter sent to Lord Salisbury, arise in connexion with the cost of conveying the mails, first, between Calais and Brindisi, and secondly, between London and New York. The charges incurred in performing these two services are very heavy, and have, I doubt not, largely, and justifiably, influenced the opposition of the Postmaster-General to Imperial Penny Postage. It is with great satisfaction, therefore, that I proceed to point out how considerably they may be reduced.

FINANCIAL SCANDAL; £50,000 A YEAR WASTED.

In answer to an inquiry, the Postmaster-General has informed me that on the 10th of October, 1890, the mails despatched from London for India, the East, and Australia, contained letters and post-cards to the weight of 3410 lbs., and printed matter, etc., to the weight of 41,160 lbs. The total was therefore nearly twenty tons. The carriage paid by the British Government to the French and Italian Governments for the conveyance of this mass of correspondence was £1209, including £669, at the rate of 10 fr. 80 c. per kilog., for letters, and £540, at the rate of 72½ c. per kilog., for newspapers and other articles. Now, if these mails had been despatched to Brindisi by the ordinary express mail-train, as we now get the Australian mails once a fortnight, *via* Naples, the charge would have been £248, at the rate of 4 fr. per kilog., for the letters, and £374, at the rate of 50 c. per kilog., for the newspapers and other printed matter, in all £622. Therefore the saving on this one mail would have been £587, and for a whole year would be, including return trains, about £50,000. No wonder that in these circumstances the South Australian Government has suggested that all mails should be sent by ordinary express trains.

The improvidence shown in concluding the existing contract for this service further appears from the following. I placed myself in communication with the world-renowned firm of T. Cook & Son, in order to ascertain the cost of a special train, sufficient to convey 20 passengers from Calais to Brindisi. (Of course there would be a great reduction in the cost per journey, if a regular weekly outward and homeward service were guaranteed.) And it appears that the cost of the special train would not greatly exceed £500. We are therefore, by this calculation, paying the French and Italian Governments some £700 per trip more than it is fair or necessary to pay for the transmission of our closed mail-bags through their territories.

It is worth noting that, though the fine vessels of the great steamship companies can in many cases accomplish from 18 to 20 knots an hour, the contract time required on the voyage to Australia is little more than 11 knots. It is probable that under the stimulus of a substantial addition to their subventions, the P. & O. and Orient Companies would engage to complete the service from port to port between England and Australia in the same time as is now allowed by the Brindisi route.

THE AMERICAN MAILS.

A second and equally flagrant case of official extravagance is pointed out in my letter to Lord Salisbury, in connexion with the American mails. You will there observe that while the British Post Office paid the owners of the *Majestic* £1000 for the conveyance of its mails across the Atlantic, the American Government only paid them £500 for the conveyance of its mails to this country, the service performed being in each case the carriage of certain closed bags across the Atlantic. (A few bags more or less make absolutely no difference on board of these immense vessels.)

At present, for the carriage of mails to America, we pay the steamship companies 3s. a pound for letters, and 3d. per lb. for newspapers and other articles. Not the least extra trouble is involved in dealing with the letters, for the whole of the bags are put into the hold without distinction. The American Minister in England confirms this statement in the following words:—

“I can see no reason why a bag of letters, which between Queenstown and New York requires the same care as, and is handled just like a bag of potatoes, should cost the senders (conceding the local postage of 1d. or 2 cents) at the rate of 1½d. for the ocean voyage for each letter of half an ounce. If each letter weighed its full allowance, it means £450 a ton.”

What I venture to suggest is, that you should make a new arrangement with the steamship companies, on the plan which the Government adopts with the P. and O. and Orient Companies for the conveyance of mails to India, the East, and Australia; that is, for the steamship companies to convey for a fixed sum per annum all mails, irrespective of weight. To guard against injustice, the companies should be guaranteed for five years the present average sum for each trip, which is double the amount they received 10 years ago.

The increased number of letters would make penny postage a success, and would not take up an appreciable quantity of room. I believe 100,000 letters would not occupy a ton of space. Either this should be done, or the companies should be required to carry the letters at the present excellent price paid for newspapers or other articles, with a minimum payment of £500 for each trip.

I have now shown how a saving of £100,000 in the cost of conveying the colonial and American mails can be effected; an

amount more than eight times larger than the probable initial cost of Imperial Penny Postage. I appeal confidently to you, as keeper of the national purse, to see that an end is put to the extravagance referred to without a day's delay. If a saving of £12,000 is of so much importance, it is plain that we can ill afford to despise an economy of £100,000. When that has been done, the question of ways and means for Imperial Penny Postage will have been solved eight times over. The old system of charging to the colonies the highest rates which the unfortunate letter-writers could be made to pay, was like a gigantic octopus, with its arms wound round the throat of every industry, and every patriotic or kindly natural feeling throughout the empire. You have rendered a great service in lopping off some of the fatal suckers that were strangling British loyalty and prosperity; I appeal to you to complete your work; I ask you to make the colonial post what the inland post has become—the vehicle of commerce, a tongue that speaks to the absent, a universal instrument for good, a consolation and a blessing to millions.

THE 2½*d.* RATE TOO HIGH.

You may hesitate, and say, "Wait awhile; give the 2½*d.* rate a fair trial." In reply, let me, with much deference, put this question: Suppose a judge awarded a suitor half the estate to which he had established his claim, with the admonition, "Take half and be thankful; you are richer than you were before." What would be thought and said of the slavish suitor who should express full satisfaction with such halting justice, and carry the cause no farther?

It may be urged that there is inconvenience in altering anew a rate so recently adopted. But the rate, though adopted, is not yet in force. It is only a degree less unjust than the condemned postal charges. But, such as it is, let it stand as the rate which may be fixed for the service to this country by any of the colonies that may want the courage to try the penny rate. And let us, with our swelling revenue, and our £3,000,000 of postal surplus, honestly charge the letter-writing public merely the fair market price for the collecting, handling, and conveying of their correspondence—in other words, one penny per letter. If we charge more, we are simply fleecing them in order to fill the pockets of rapacious foreign governments and insatiable steamship

company shareholders, and to keep up costly fleets of reserve cruisers.

Fortunately, it is not yet too late to take the right path. Let a Select Committee be appointed to investigate the whole question, and to determine whether it is not at once just and expedient to be content in the colonial, as in the Inland Postal Service, with the popular and profitable penny rate. I maintain that the writer of a letter to the colonies is still, under the new rate, grossly overcharged. My facts and arguments are open to examination; and if I am wrong, let my error be exposed. I modestly invite confutation.

I am, dear Mr. Goschen,

With much respect, faithfully yours,

J. HENNIKER HEATON.

36, Eaton Square,
November 28, 1890.

DEAR MR. GOSCHEN,

I have first to acknowledge the receipt of your letter of the 26th inst. Let me assure you that the presence of the Postmaster-General at any interview with you on the subject of Imperial Penny Postage would be welcomed by me. I have felt it my duty to animadvert very frequently, sometimes perhaps with undue warmth, on the attitude of opposition to my proposals which my right honourable friend has thought it his duty to take up. But he has retaliated with at least equal warmth. I sincerely respect his administrative ability, and admire his efforts in the cause of postal reform, and I should be very glad of an opportunity of personally laying my case, in its most recent developments, before him.

APPEAL FOR STATEMENT OF OBJECTIONS.

At the same time, it appears to me that to save your and his valuable time, and to obtain the fullest advantage from such an interview, it would be expedient to imitate parliamentary procedure, and to have the issues to be discussed settled in writing beforehand, as is done in the case of a joint committee of both Houses. There is no personal or party question involved; neither side is anxious to surprise the other; all concerned simply wish

to secure the greatest possible amount of benefit for the public. If, therefore, you will furnish me (as you apparently intend doing) with a note of the objections to any of my conclusions, or the modifications of them which your advisers may suggest, I will consider them without bias, and either accept them, or, if they appear to me unsound or impolitic, endeavour to establish my position against them to your satisfaction.

THE SCANDAL GROWS WORSE.

From day to day my case grows stronger. Since I last addressed you, I have had an interview with a gentleman * who is frequently brought into contact with continental Ministers, and is possessed of an intimate knowledge of the European railway systems, of which he has made a special study. He has given me some valuable information on the subject of our transcontinental postal service, which information I hasten to lay before you.

In the first place, he has discovered that although the French and Italian post offices receive from us about £100,000 a year for the conveyance of our mails to and fro between Calais and Brindisi, the French railway companies only get 5 fr. per kilometre, and the Italian companies 2½ fr. per kilometre for doing the work, while the two governments pocket the balance. Thus, to return to the case of the mails which we despatched on the 10th of October last. We paid—or shall have to pay—the two governments £1209 for transmitting those mails to Brindisi. Of that sum the French railway companies will receive £198, and the Italian companies £118, together £316. This represents the market price of the service. The balance, £893 of our money, is appropriated by these two foreign governments, and devoted to the relief of French and Italian taxpayers, the construction of ironclads and cruisers, and so forth.

The total amount paid for the letters and post-cards was £669. Of this sum France took £371 13s. 4d., and Italy £297 6s. 8d. For other articles we paid £540, of which France netted £297 18s. 7d., and Italy £242 1s. 5d. The French Government, therefore, received in all £669 11s. 11d., paid to the companies £198, and kept a net balance of £471 11s. 11d.; while the Italian Government received £539 8s. 1d., paid £118, and kept a balance of £421 8s. 1d. The French and Italian shares of the

* Mr. H. H. Spiller, continental representative of Messrs. T. Cook and Son.

payment for letters were as 5 to 4 respectively, and of the payment for other articles as 16 to 13. Yet, although France thus appropriates the leonine share of the profits, there are only 990 kilometres of French railways on the route, as against 1182 kilometres of Italian lines.

I have to request that the foregoing figures may be read in connexion with my previous letters to you, and treated as part of my argument. If there be any error in them, I shall be grateful for its correction. I need not point out how far they strengthen my contention that we are paying through the nose for the privilege of sending two or three van-loads of sealed mail-bags once or twice a week through French and Italian territory.

HOW TO BRING FRANCE TO REASON.

The Italian Government, there is reason to believe, would be content with a much smaller solatium, while the French authorities would probably resist any reduction. But it is not necessary to go through France at all. There is an alternative route, *viâ* Ostend, Brussels, Bâle, Milan, and Bologna, to Brindisi, which avoids French territory altogether; and my informant referred to states that the Belgian and Swiss governments would certainly accept a fair and moderate rate of remuneration. This route, moreover, presents the advantage of being about 70 kilometres shorter than the French one, and it follows that on that ground alone the service could be accomplished more rapidly and cheaply than the existing one. At the mere threat of negotiations with the States concerned along the Ostend route, the French Government would hasten to accept such a reasonable rate as we pay, for instance, for the conveyance of our mails across North America.*

I desire to act with complete loyalty to the Government, and I therefore bring these new facts at once to your knowledge. I aim solely at the public advantage, but I repeat, it would be intensely gratifying to me to see Imperial Penny Postage established by you and your colleagues. You say there are slips at certain points in my reasoning. It is probable. But I am addressing a great master of finance. Will you and the Postmaster-General take up the scheme; amending it where it is faulty, and pruning it where it is extravagant; but co-operating

* Less than $\frac{1}{2}d.$ per letter.

to secure for the peoples of this vast empire the priceless blessings which Penny Postage has conferred upon our own happy country?

I am, dear Mr. Goschen,

Very faithfully yours,

J. HENNIKER HEATON.

PAYMENTS TO FRANCE AND ITALY.

P.S.—For your convenience, I subjoin a table exhibiting the rapid increase in the amounts charged against our Post Office for the Calais-Brindisi service :—

In 1879 we paid France and Italy	£67,224.
„ 1880	„ „ 74,870.
„ 1881	„ „ 77,689.
„ 1882	„ „ 80,503.
„ 1883	„ „ 82,839.
„ 1884	„ „ 93,225.
„ 1885	„ „ 93,190.
„ 1886	„ „ 97,884.
„ 1887	„ „ 99,743.
„ 1888	„ „ 102,650.*
„ 1889	„ „ 105,550.*

In ten years the mails increased from 700 to 1200 bags weekly.

36, Eaton Square, S.W.

December 2, 1890.

THE RIGHT HON. G. J. GOSCHEN, CHANCELLOR
OF THE EXCHEQUER.

DEAR MR. GOSCHEN,

Although I feel that I ought not to trouble you with a single line more than is necessary at this juncture, events have occurred which call for some comment. I will make this comment with the utmost attainable brevity.

As you have been so good as to undertake a personal examination of the vexed question of Imperial Penny Postage, it is

* In reference to the last two items, it should be explained that this calculation is on the old basis of 1½d. per letter. The reduction to 1d. per letter, made by France and Italy, reduced the sums paid. My object in compiling this table was to show the absolute growth of correspondence by this route between England, India, and Australia.

obviously desirable that you should have before you all the information in my possession.

AMERICAN MAIL SUBSIDIES.

Within the past few days the American Government has, through the President of the United States, expressed its determination to push forward with all speed what are known as the "Ocean Mail Subsidy Bill," and the "Tonnage Bounty Bill." I shall send you, if you wish it, copies of these extraordinary measures. The comments I have made thereon, with outlines of the main provisions of the Bills, are embraced in the memorandum sent herewith (a copy of which has been sent to the *Times*). It is well known that the British postal authorities are entirely with me in this matter, and have often protested against the Post Office being saddled, since 1858, with the whole cost of the Packet Service, for reasons which I give in the memorandum, and which are generally considered unanswerable.

I am convinced that your sense of equity, and your appreciation of the value of a sound and logical system of State book-keeping, are alike shocked by the imposition of these subsidies on the Post Office. How strong a case exists for the readjustment of these burdens may be gathered from the following passages in a recent report of the Postal Committee of the American House of Representatives on the Tonnage Bill. After pointing out that the main object of the British Government, in subsidising mail-packet lines, had been to promote British commerce, and that this object had been fully attained, the document quotes the subjoined extract from the report of a committee on the subject, presided over in 1853 by Lord Canning, Postmaster-General:—

SUBSIDIES ARE REALLY PAID TO ENCOURAGE TRADE.

"When the public interest requires the establishment of a postal line, on which the ordinary traffic would not be remunerative for steamers, the subsidy to be allowed in the contract may be ascertained either by the test of public competition, or by calculating the amount which, on an estimate of the probable receipts and expenditure, will cover the deficiency of receipts, or by comparing it with the cost of war vessels if employed for the same purpose. . . . The objects which appear to have led to the formation of these contracts, and to the large expenditure involved,

were to afford a rapid, frequent, and punctual communication with those distant ports which feed the main arteries of British commerce, and with the most important of our foreign possessions, to foster maritime enterprise, and to encourage the production of a superior class of vessels which would promote the convenience and wealth of the country in time of peace, and assist in defending its shores against hostile aggression."

The same American Committee, reporting on the Postal Subsidy Bill, appends a statement, showing that in 1867 the British Postmaster-General granted a subsidy not to exceed £500,000 a year to the P. and O. Company, on the express ground of "the great competition to which the P. and O. Company is now exposed, not only by the French," etc. In 1867 the Postmaster-General renewed the contract with the Royal Mail Steam Packet Company, being, as he said, "unwilling at such a moment to invite competition, or withhold a concession without which the company might have succumbed to its losses."

"Having," it is added, "thoroughly established her lines to the United States in 1877, Great Britain paid only ocean postage; but when it was represented that that pay was not sufficient, the Government almost doubled the pay to the Cunard, Inman, and White Star Companies."

"Great Britain, in 1839, gave the Cunard line 425,000 dollars; that not being sufficient, the pay was increased in 1840 to 550,000 dollars. Cunard failed to run his ships profitably at that pay, and then his pay was advanced to 725,000 dollars. He increased the size of his ships in 1852, and his pay was raised to 855,000 dollars per annum."

Let me add that I am no advocate for a reduction of these subsidies. On the contrary, I hold them to offer the most profitable field for the investment of State funds. But I contend that they should be fairly apportioned between the Post Office and the other Government departments.

I have only one other remark to make. It is this: that the establishment of Imperial Penny Postage will not involve the employment of an extra train, steamship, or letter-carrier, either here or in the colonies, and, in a word, that the present machinery is ample to deal with the possible increase of letters from and to the English-speaking countries of the world.

[Our Mail contracts with the P. and O. and Orient companies, and those for the conveyance of the South African, Canadian, and West Indian mails, are made irrespective of weight, and so

it is a matter of indifference whether we send 50,000 or 500,000 letters by a particular ship.]

I am, dear Mr. Goschen,

Very faithfully yours,

J. HENNIKER HEATON.

36, Eaton Square, S.W.

December 6, 1890.

THE RIGHT HON. G. J. GOSCHEN, M.P., CHANCELLOR
OF THE EXCHEQUER.

DEAR MR. GOSCHEN,

The position is put so clearly in your note received last night, that I have only to explain my reasons for the interview. In the first place, I believe my case is so strong, and in some respects so unanswerable, that there only remains for me to tell you privately the names of powerful politicians, on both sides, on whose support the Government could depend, and a list of the newspapers, of all shades of politics, and public bodies, who would back you up in carrying the scheme.

In the next place, I would be able to place a few fresh facts before you, that likewise I could not put in writing, but which I am certain would convince you that it would be desirable for our party to carry out the reform; and lastly, I could reply to any question you might wish to ask me.

I have no intention to ask you to engage in a war of subsidies, but I am anxious to shift the burden from the Post Office. I consider this question apart, therefore I sent it to the *Times*.

Of course I have no desire to ask you to discuss the policy of the Government with me.

I am very grateful for your private letters, candidly clearing up the matter.

Very faithfully yours,

J. HENNIKER HEATON.

[As the result of my exposure of the unfair profit of the French and Italian Governments on the carriage of our Eastern and Australian mails, the postal officials undertook to negotiate with those governments for a revision of the arrangement. But they declined to avail themselves of Mr. Spiller's special knowledge, and went to work themselves, with disastrous results.—J. H. H.]

36, Eaton Square, S. W.
February 10, 1891.

THE RIGHT HON. H. C. RAIKES, M.P., POSTMASTER-GENERAL.

DEAR SIR,

As I am responsible for the statement that some £50,000 a year can be saved on the cost of the transcontinental mail service, it seems only fair that I should have sufficient opportunities of proving and emphasizing what I have said.

I am somewhat disturbed to find that in Mr. Spiller's [the continental representative of Messrs. Thos. Cook and Son] interview with Sir A. Blackwood [arranged, at your request, by me], only a few unimportant questions were put to him regarding statistics supplied by me to you.

In order to spare the *amour propre* of your staff, I suggest that Mr. Spiller should co-operate with them in any suitable capacity; but that in any case he should be employed to deal with the foreign railway companies. He has special knowledge of, and influence with them, as I will explain to you when I see you.

My main object in writing is to secure ourselves against premature and dangerous action, and to avoid blundering, which may result in some miserably inadequate concession being granted.*

I am, very faithfully yours,

J. HENNIKER HEATON.

A FURTHER LOSS POINTED OUT.

36, Eaton Square, S. W.
February 13, 1891.

DEAR MR. GOSCHEN,

I should have pointed out the other day a fact which demonstrates the urgent need of an immediate revision of our

* This apprehension was literally fulfilled. The officials (who were despatched in December last) were once more outwitted by the astute negotiators in Paris and Rome, who only agreed to a reduction of £7000 in their profit of £50,000. Even this contemptible reduction was quite illusory, as the increase in the mails yielded the French and Italians an additional profit of £14,000 last year.

arrangements with France and Italy for the conveyance of the Indian and Australian mails between Calais and Brindisi.

This fact is, that there is a large increase of correspondence, under the new $2\frac{1}{2}d.$ rate, with our Eastern and Australian possessions.

Now, as you are aware, we pay France and Italy according to the weight of the mails carried, the rate amounting to about $1d.$ per letter. More than half of each payment is for letters, as distinguished from other mail matter, and the total is about £90,000 per annum. We therefore pay at least £45,000 per annum for the letters alone.

As I assume there is under the $2\frac{1}{2}d.$ rate an increase of 50 per cent. in the number of letters carried in the first year, we shall have to pay France and Italy £22,500 more per annum.

We are already losing by this bargain about £1000 a week. For every week of delay in opening negotiations we shall now lose an additional sum of £432, in consequence of the $2\frac{1}{2}d.$ reduction.

May I ask you to show this letter to the Postmaster-General. I am sure you will both see how important it is that this grave scandal should at once be abated.

I am, dear Mr. Goschen,

Yours faithfully,

J. HENNIKER HEATON.

36, Eaton Square, S.W.,
March 9, 1891.

TO THE PRIME MINISTER.

THE POSTAL UNION; AN IMPEDIMENT.

DEAR LORD SALISBURY,

There appears to be a doubt in some quarters whether we are not prevented by the stipulations of the Postal Convention from establishing Penny Postage with such of the British colonies and dependencies as are parties to that Convention.

May I with great deference call your attention to the advisability of instructing the British Delegates to the Postal Union Congress, which is to assemble in May, at Vienna, to have it expressly provided, and made clear for the future, that we shall be at

liberty to establish a special rate of postage with British colonies or dependencies, without reference to the Postal Union or Postal Union rates. [This concession was accordingly obtained from the Vienna Conference. See Mr. Raikes' answer to my question in the House of Commons, in July, 1891.—J. H. H.]

Article III. of the existing Convention appears to concede the right in all cases where we are able to communicate with such colonies or dependencies without traversing the territory, or availing ourselves of the assistance of a foreign government. Such a right is in no way injurious to third parties, or contrary to the fundamental principles of the Union. But, as there is a question of inducing the Australian colonies to join the Union, it is evidently desirable to have our right publicly acknowledged.

At present, to quote the Convention, "neighbouring countries, or countries able to correspond directly with each other without availing themselves of the services of a third administration," exercise this right. Thus Canada and the United States, both members of the Union, enjoy special low postal rates between themselves.

I may add, that the various members of the Union have for several years charged their subjects a much lower rate of postage to our colonies than British subjects have had to pay. Again, the transit rates charged on our mails by France and Italy are admittedly far greater than the rates authorized by the Convention, and more than double the actual cost—or market price—of the service; an obstacle being thus raised to the institution of Penny Postage between the United Kingdom and India, the East, and Australia.

Moreover, we hear rumours that it is in contemplation by one or more European Powers to establish Penny Postage with Australia. It is therefore only fair to our commerce, and to British interests generally, that we should preserve our liberty of action in a matter in which the interests of foreign governments are nowise affected.

I am, dear Lord Salisbury,

Yours faithfully,

J. HENNIKER HEATON.

36, Eaton Square, S.W.,
March 15, 1891.

THE RIGHT HON. H. C. RAIKES, M.P., POSTMASTER-GENERAL.

DEAR SIR,

You will remember that at the conference with Mr. Goschen the other day we discussed, among other matters, the question whether the Post Office had to bear the cost, and do the work of collecting, sorting, and delivering, in respect of both the correspondence sent out of the United Kingdom, and that received in return from foreign countries and the colonies.

On this subject I beg to call your attention to some remarks of mine, made before the Associated Chambers of Commerce, of which I send you a fairly full report.

With a view to ventilate the matter, and establish the truth, perhaps you will be good enough to show these remarks to the responsible officials of your department, and communicate to me any criticisms or objections that may be put forward.

I am, dear Sir,

Faithfully yours,

J. HENNIKER HEATON.

P.S.—The point on which I wish to convince you is, that the sending away of 10 million letters *to* America for that Administration to deliver, and the receiving 10 million letters *from* America for us to deliver, is not more costly to England than if the English Post Office had to deal with 10 million inland penny letters.

VOTE BY CHAMBERS OF COMMERCE.

[On March 5, 1891, the Associated Chambers of Commerce of the United Kingdom held their annual meeting in London. This gathering of the most powerful and representative business men was in effect the Commercial Parliament of the Kingdom, for England, Ireland, Scotland, and Wales sent their delegates. This body unanimously passed a resolution in favour of the establishment of Imperial Penny Postage. Mr. Henniker Heaton, addressing the gathering by invitation of the president, answered in the following words an objection against his scheme put forward by the postal authorities :—

“The other objection raised is that Penny Postage is impossible, because each country ought to have one penny per letter, and so the postage ought to be twopence. The answer is very simple. Will any one say that it costs more to send a letter from here to France than from here to Ireland? A great confusion, too, arises on the question of delivery. If I get 10 million letters in Liverpool from London for delivery on board a ship then bound for New York, and receive in exchange there 10 million letters from New York for delivery in London, both in sealed bags, I shall have to deliver to the parties to whom the letters are addressed only 10 million letters, and not 20 million letters. I shall have received the penny postage, in other words, on 10 million letters which I have collected and delivered. It is really one transaction, plus the cost of sea conveyance. I trust I have made the matter clear; that sending 10 million letters to be delivered in another country, and in exchange delivering 10 million letters from another country, only amounts to one transaction. Another advantage we get—or at least the Chancellor of the Exchequer gets—is in exchange. Under the Postal Union every country keeps its own postage, and the country to which the letters are sent undertakes the delivery without charge. But we in England send away to foreign parts five letters on which the Chancellor of the Exchequer of England receives full postage, and we receive from abroad only four letters which the foreign Chancellors of the Exchequer receive postage on. England made last year a quarter of a million sterling by this little transaction. Let us, then, listen no more to this stupid argument that we should have twopence on every letter.

“To put the matter another way. There are two main sources of expenditure—for collection and distribution; the cost of carriage being comparatively unimportant. Now, on our outgoing letters we are saved the cost of distribution, and on incoming letters the cost of collection. Practically, therefore, it is but one transaction, as above contended.

“Let us always remember that to-day we can send a newspaper under four ounces in weight to every part of the civilized world for a penny. Surely we can send a letter, the eighth of this weight, for the same money.”]

36, Eaton Square, S.W.,
June 10, 1891.

TO THE CHANCELLOR OF THE EXCHEQUER.

A PERSONAL APPEAL.

MY DEAR CHANCELLOR OF THE EXCHEQUER,

I am going to presume so far as to make a personal appeal to you on the subject of Imperial Ocean Penny Postage. I take this course, though loth to add to your embarrassments at this juncture, because it is really the only one open to me, if I would not see the interests and wishes of my fellow-countrymen sacrificed. I need not recall to you the loyalty with which I have acted towards the Government; I have never ceased to try to win over the chiefs of my party to this cheap, simple, and inevitable reform, which would benefit the empire, and gratify millions of British voters having relatives in the colonies. Finally, I laid the matter personally before you, and the result of this was your statement to a deputation, on May 8th last, that—

“Representatives from this country would attend the Postal Convention about to be held at Vienna, and you could say that there would be no obstinate resistance—certainly on the part of this country—to any movement in the direction of getting a somewhat freer hand with regard to Ocean Postage; and the question was now under examination as to how far, as regards Ocean Postage, we should be limited by either of the conventions which bound us in other respects.”

This I take to mean that the opinion of the Law Officers was to be taken on the question whether we could institute Ocean Penny Postage to the colonies without reference to the Postal Union; and secondly, that if any other member of the Union should propose at Vienna common liberty of action with respect to Ocean Penny Postage, this country would not object.

Obviously, if this view be correct, as the Convention is now sitting, and will not meet again for five years, it is urgently necessary that the opinion of the Law Officers should be obtained at once. In the circumstances, I hope and believe that it has been obtained already. If that opinion should establish our freedom of action, we need not bring the question before the Convention. But if the Law Officers pronounce against our freedom of action, I earnestly contend that our delegates should

at once be instructed to raise the question (if not already so instructed), and to obtain the required freedom for us.*

I urge this on several grounds. In the first place, it is said to be doubtful whether any of the other Powers will introduce the subject.

Again, the liberty desired can injure none of them, as their territories are not traversed. And as already pointed out, we cannot raise the question again for five years.

Lastly, I must reluctantly point out that the chief British delegate † is personally committed to uncompromising hostility to Ocean Penny Postage ; and in the absence of definite instructions, he is hardly likely to receive with favour any proposal to give liberty of action in the matter. Only a day or two ago the well-informed Vienna correspondent of the *Times*, apparently writing after consultation with our representatives, asserted that the question was not to be raised at all. Speaking of course in ignorance of what is going on, I cannot but feel apprehensive that the whole business may end in a *fiasco*. You have spoken in a favourable tone of Ocean Penny Postage, and promised to abstain from opposing any proposal for greater freedom of action respecting it. But if no proposal be made, we, who are alone interested, must suffer because no one has proposed it on our behalf. And then, after the Convention has dispersed, our Law Officers may declare that we have no rights in the matter. Would not that be rather a ridiculous position for this great country? And would it not be distinctly unfair thus to leave in the lurch those who are anxiously awaiting the action of her Majesty's Government?

In the circumstances, I think I am justified in appealing to you for an assurance that the dangers to which I have referred shall be guarded against, and that we shall not be bound to be content for five years with the present high rate of postage to our colonies.

I am, my dear Chancellor of the Exchequer,

Very faithfully yours,

J. HENNIKER HEATON.

* It was obtained.

† A high postal official.

FINAL CORRESPONDENCE.

36, Eaton Square, S.W.,
December 26, 1891.

THE RIGHT HON. GEORGE J. GOSCHEN, M.P.,
CHANCELLOR OF THE EXCHEQUER.

A REMONSTRANCE.

DEAR CHANCELLOR OF THE EXCHEQUER,

It is just twelve months, as you may remember, since I first appealed to you in writing on the subject of Ocean and Imperial Penny Postage. You were good enough, in company with the late Postmaster-General, to accord a full and patient hearing to the case which I presented on behalf of these reforms—a case which had already been closely examined and heartily endorsed by the whole of the British and Colonial Press and people, and by the great Chambers of Commerce of this country, of India, the East generally, Canada, and Australasia.

Having waited patiently for a considerable period, I am sure you will admit that I am entitled to press, with much deference, for your decision. I have demolished all objections to the scheme, and I believe I may, without presumption, assert that most of your colleagues would welcome your decision in my favour. I can confidently appeal to my parliamentary record to show that I have never sought to embarrass the Government on the question. On the contrary, I have been twitted with my unwillingness to bring on a discussion. Who can doubt that if I had been less scrupulously loyal I should have been more successful? Why should I be punished for being faithful to party ties, and why should the fruit of my exertions be handed over to our political opponents? For it is well known that the next Liberal Government will establish the still grander system of Universal Penny Postage.*

Before leaving England in the autumn I was assured by Mr. Raikes that your decision would be made known almost immediately; and he used terms which, though guarded, left no doubt on my mind that he expected a favourable result.

I am sure that a statesman of your keen insight, political and financial experience, and wide sympathies, cannot be indifferent

* In accordance with the Resolution moved by Mr. Henniker Heaton in the House of Commons, in 1886.

to the benefits of the reforms recommended. But you may be reluctant, in view of the increasing appeals from every department, and the new outlay upon education, to subject the revenue to the risk of even a small additional charge. This reluctance appears to me to be the most probable cause of your delay in coming to a decision, and the sole remaining obstacle to the establishment of Ocean Penny Postage. I have a strong belief that I could point out a way by which you could both make and save the amount necessary to establish Imperial, as well as Ocean Penny Postage. For example, there is £60,000 a year paid to the French and Italian Governments for conveying our mails from and to Calais and Brindisi, over and above the amount these governments pay their railway companies for doing the work; there is also the £100,000 a year you pay for conveying our mails to America, whereas the American Government only pays £50,000 a year for a return service, mostly in the same steamers; and there is the sum of £60,000 a year you have saddled the Post Office vote with this year for a mail service from Vancouver to Hong-Kong, whereas the postage receipts will not amount to £500 a year. For Post Office purposes your Government admits this expenditure is totally unnecessary, and that you placed the money on the estimates to provide an alternative route to India and the East for political and trade purposes.

I verbally protested against the last burden being put on the Post Office estimates of expenditure; but I was silent in the House, because I was under the solemn conviction that it was merely for convenience in carrying out your State policy to place the amount referred to on the postal expenditure, and I was unfortunately under the impression that you were about to establish Ocean Penny Postage.

OFFER OF BANK GUARANTEES AGAINST LOSS.

In order to remove all obstacles, I now beg most respectfully to submit the following proposition: *If you will determine, and communicate to me, the estimated amount of the supposed loss which the Post Office may incur annually, by the establishment of Ocean Penny Postage, I will furnish you with satisfactory Bank guarantees against such loss for a period of three years.*

So far as I can see, there is nothing irregular or unconstitutional in such an arrangement as is proposed, and I trust you may see your way to its acceptance.

Believe me, no one is more sensible of the responsibility and anxiety attaching to your high office than I am; nobody can be more firmly convinced that your hesitation is attributable to some financial difficulty, and not to indifference to the incalculable importance of the cheapest possible system of Imperial communications.

I am, dear Chancellor of the Exchequer,

Your faithful servant,

J. HENNIKER HEATON.

REFUSAL OF THE GUARANTEE.

[A few weeks after this letter of the 26th of December, a paragraph appeared in the newspapers, stating that Mr. Henniker Heaton, in conjunction with an Australian millionaire and an English capitalist, had made a definite offer to the Government to give a guarantee against any loss arising from the institution of Ocean Penny Postage for a period of three years; and that Mr. Goschen, in reply, had declared that he could not think of accepting Mr. Henniker Heaton's proposal, for a variety of reasons, with which, however, he would not trouble the latter. He appreciated the proof of sincerity which the offer implied, but observed that it did not remove one of the greatest difficulties which weighed with the Post Office authorities. In commenting upon this, the Press pointed out that the Government now demands and obtains from private persons guarantees to the extent of £20,000 a year against loss for establishing small telegraph offices in England, and the guarantee offered is an analogous case.]

CONCLUSION OF THE CORRESPONDENCE.

House of Commons, S.W.

February 22, 1892.

DEAR CHANCELLOR OF THE EXCHEQUER,

Owing to my absence on the Continent, your letter on the subject of Ocean Penny Postage only reached me after some delay.

I must preface my reply to it by expressing my regret that,

owing to the indiscretion of one of my co-guarantors, the facts of the offer and its rejection became public property. Such publication was made without my knowledge or consent (although of course I reserve the right to publish my own correspondence with the Government at the fitting moment).

WHY ARE OBJECTIONS CONCEALED?

With reference to your reply, I have given much careful consideration to it; but it is so cautiously—I had almost said vaguely and mysteriously—worded, that I am in some respects but little wiser than before. You do not expressly condemn—no statesman ever has condemned—Ocean Penny Postage. On the other hand, you do not advance a definite objection to the scheme, although you hint at objections raised by the Post Office authorities. I am therefore at a great disadvantage. I have laid before you, and before the Post Office, the whole of my case, without reservation; you know it thoroughly; but of the case of the postal officials in reply, no jot or tittle is communicated to me. If, therefore, the matter were discussed in the House, Ministers would be in a position to rise and spring upon me at the last moment, for the first time, objections carefully framed by the postal officials, which it might be impossible, without inquiry and calculation, to refute.

But I put it to you, with much deference, that I am entitled to better—I will say more generous—treatment from a Government which I have long and loyally served. If there be a good argument against my contention, why is it kept back? If a blockaded squadron refuses to put to sea, what is the inevitable inference? Why, that it fears to be riddled.

One thing you have certainly made clear, namely, that the objection of the postal officials, whatever it may be, is not based upon the expectation of any large sacrifice of revenue through Ocean Penny Postage. For in my last letter I offered to furnish “satisfactory bank guarantees” against any such loss for three years. This offer you decline, and explain that it does not remove one of the greatest difficulties which weighs with the Post Office authorities.

THE EXISTING SITUATION.

This, then, is the position of things. A postal reform, simple and easily carried out, is suggested, which would facilitate commer-

cial operations between one part of the empire and another, would bring happiness to innumerable humble homes, would keep alive in the emigrant's breast the warmest of all interests in his Fatherland, and effectually counteract the growth, in her Majesty's dominions, of that selfish pride which has dissolved so many empires. The scheme is supported by the whole of the British Press, by the Associated Chambers of Commerce, and other bodies of importance, and by hundreds of distinguished men, divines, judges, philosophers, men of business, and politicians, including at least a score of your colleagues in the Ministry—some of them sitting with you at the Council Board of their Sovereign. Against such authority as this we have only some unstated objection of the postal officials, of which all we know is that it is not connected with the fear of heavy loss.

Knowing what we do of the long unvarying record of obstruction to all reform which has characterized the history of St. Martin's-le-Grand, we, the public, have formed our own conclusions on the subject. I, as the mouthpiece of the public on this question, thank you for your courtesy in replying; and I observe with pleasure, but without surprise, that you abstain from committing yourself personally to opposition of this beneficent and popular measure.

You suggest that I should now turn to the new Postmaster-General. But he has already expressed—and, be it noted, through the chief of his staff—the official feeling on the subject. The appeal now lies, in the last resort, to the chosen representatives of the British people in Parliament assembled.

Faithfully yours,

J. HENNIKER HEATON.

AN APPEAL TO THE PUBLIC.

Finally, we have to recollect that Imperial Penny Postage would instantly open up a myriad channels for the fertilizing streams of commerce, and therefore—

I demand Imperial Penny Postage in the name of British trade, as well as in the name of the mute and friendless millions who have seen their sons and brothers pass out into the darkness; and

I ask that the "objections" to this scheme shall be openly declared. Every official objection hitherto stated has been demolished, but the officials profess to have another in reserve. What is it? Let the Press insist on an answer.

Let me once more recall the stern, the solemn fact that a quarter of a million of our young men leave these shores annually, never to return. What are we doing to retain the affection and loyalty of these men? Why do we persist in maintaining obstacles to all communication between them and their friends here? I can give some striking figures bearing upon this subject.

The following amounts were received last year in the United Kingdom in small money orders from the English-speaking races of the world :—

Africa (South and West)	. . . . .	£91,985
Australia	. . . . .	346,337
Canada	. . . . .	215,598
The Cape	. . . . .	165,064
India	. . . . .	180,645
New Zealand	. . . . .	70,710
West Indies	. . . . .	196,251
Other Colonies	. . . . .	76,196
United States	. . . . .	<u>1,115,789</u>
		£2,458,575

This large sum represents chiefly the earnings, the self-denial, and natural affection of British emigrants who have recently gone out from their native villages, and who, amid their own struggles and privations, think of the wants of the "old folks at home." But for want of cheap postage, communication becomes less and less frequent, and too often ultimately ceases altogether.

I repeat, there is practically no correspondence—there is almost the silence of death—between the masses at home and the masses in the colonies. Yes, the emigrant is too often as one dead to his family in the Old Country; and our rulers are content to let this state of things go on! We see the postal surplus amounting to more than £3,000,000, and growing at the rate of a quarter of a million annually. Yet not a penny of this huge profit will the Treasury devote to a cheap and popular Penny Postal service to the colonies. On the other hand, we see my Lords acquiescing without a murmur in the waste of at least £150,000 a year under improvident postal contracts. I know not if such a policy can be described as high finance: it certainly

is not common sense. In dealing with the vital interests of Imperial Unity and British commerce, a policy of peddling parsimony is the surest and speediest method of wasting the national resources. Cheese-paring economy is all very well in the details of administration ; but the financial timidity which refuses a few thousands to encourage our commerce, and to consolidate the empire, is a crime against the State.