

Hon. Sir WILLIAM MULOCK (Postmaster General). There is no objection to the order passing with this exception. My recollection is that there are in the department some reports of a confidential character dealing with some of the workings in the United States; those will have to be omitted. My hon. friend rested his argument largely upon the financial consequences involved in the establishment of this system. In doing so I think he directed his attention to the real difficulty in the way. Let me supplement his figures. He gave us the appropriations for the system in the United States down to and including the year 1904. He was correct so far as he went. The United States Congress appropriated in the session of 1903, for the service of the succeeding year, \$12,921,700. My hon. friend's information doubtless came to a stop there, for he did not give us the figures of the estimate for the year 1905, nor for the year 1906. The appropriation for the year 1905 by Congress was \$20,816,600. The Supply Bill that is now going through Congress contains an appropriation for 1906 of \$25,828,300. The appropriation therefore for 1906 is about one hundred per cent greater than it was for 1904, the last figures the hon. gentleman furnished to the House. The system began in 1897 with \$40,000. It is true there was a vote of \$40,000 at that time, but no real, substantial progress was made until about 1901, when Congress appropriated \$1,750,000. Now, beginning with \$1,750,000 in 1901, the appropriations have reached \$25,800,000 in a period of six years. That shows with what rapidity the expenditures have increased as the system extends. My hon. friend, I have no doubt, was perfectly right when he said that there was a greater demand in the United States last year for the extension of this system than ever before.

Mr. FOSTER. Does that increase of expenditure take place in applying the system generally, or in applying the system from one section to another, and so increasing the expenditure in that way?

Sir WILLIAM MULOCK. I do not quite understand the hon. gentleman's question.

Mr. FOSTER. I would like to know whether they have adopted the system generally in the United States, and this expenditure is growing because of its application to the general system, or whether they have adopted the plan, experimentally if you like, for one district and they are extending it to another district.

Mr. LENNOX. They have almost the whole territory covered now.

Sir WILLIAM MULOCK. The system is being extended to a number of new points. They have not extended the system from the Atlantic to the Pacific and thus com-

Mr. LENNOX.

pleted it, but, I dare say, from the influences that are brought to bear, they are making a beginning here and there and extending it to other points. Development is going on from ocean to ocean, and from north to south. Doubtless every Congressman who goes to Congress goes there pledged to get rural delivery for his constituents. I assume my hon. friend is quite right when he says that you cannot find in the 'Congressional Record' any protests from representatives in Congress against the extension of the system. They all come pledged to secure it. The scheme is started, and when it has a footing in some localities every other locality is demanding what it is contributing to furnish to other districts. But the conditions in Canada are very different. Since we are dealing with figures, let me call my hon. friend's attention to the question of deficits. In 1902, practically before the country had commenced to feel the consequences of rural delivery, the revenue of the United States Post Office Department was only \$2,937,649 below the cost. There was a deficit of a shade under \$3,000,000, but for the year 1905 they have a deficit of \$14,000,000 and odd. I may say that for some years, speaking from memory, I can recall having read the figures of the United States Post Office Department showing that they had a deficit of \$10,000,000 or \$12,000,000 a year. It gradually fell, and it looked as if they were ultimately going to put their post office on a paying basis. I have not seen the annual statement showing their deficits, although the figures can be discovered by reference to their reports, but the Post Office Department of the United States gradually began to approach a paying basis, the deficit having fallen, in 1902, to \$2,937,000.

Mr. HAGGART. Is the \$24,000,000 odd voted this year for the purpose of covering the cost of rural delivery or for the purpose of meeting the deficit?

Sir WILLIAM MULOCK. The \$25,800,000 is the estimated expenditure of rural delivery in the United States for the year 1906.

Mr. LENNOX. And the establishment of new services.

Sir WILLIAM MULOCK. For existing services, and this \$5,000,000 extra over the appropriation of this year is doubtless for the extension of the service. Doubtless they are extending it every day. The expenditure has grown in four years from \$3,900,000 to some \$25,000,000.

Mr. LENNOX. Is it not a fact that they have now got about six-sevenths of the total area covered that they expected to cover, so that they have almost reached their total expenditure?

Sir WILLIAM MULOCK. Nobody can answer that question. I will give my hon.