

think that Canada can afford to spend \$26,000,000 for rural delivery?

Mr. LENNOX. No one in his senses would talk of an expenditure like that for rural delivery in Canada. We are spending only \$4,500,000 for the whole postal service of Canada, and does any sane man—and I hope the hon. minister wants to assume that role—think of talking of an expenditure of \$25,000,000 for a population of 5,000,000 people? They are spending \$26,000,000 not only in carrying on the rural mail delivery system in the United States, but in perfecting the system and establishing 10,000 new routes every year. They established 10,000 new routes last year and more than that are contemplated this year. In a few years, I think within a year or two if I understand the report aright, they expect to have a complete net work of free delivery routes over the whole territory of the United States, so far as necessary, upon the basis which they have adopted of establishing a route only where about 100 families can be embraced in a route of 25 miles or so.

This report goes on:

Despite largely increased expenditures, the revenues gradually approximated the expenses after each added outlay has marked a new standard.

In 1872 the receipts of the Post Office Department were in round numbers \$22,000,000, against an expenditure of \$26,500,000, a deficiency of \$4,500,000, or 20.45 per cent of the revenue. In 1882 the receipts were \$42,000,000, against an expenditure of \$41,000,000, showing a surplus of \$1,000,000. In 1892 the receipts had increased to \$71,000,000, against an expenditure of \$77,000,000, leaving a deficiency of \$6,000,000, or 8.45 per cent of the revenue. In 1902 the receipts were about \$122,000,000, with an expenditure of nearly \$125,000,000, reducing the deficiency to about \$3,000,000, or 2.46 per cent of the revenue.

I have read this for the purpose of showing that, while the Postmaster General singled out a certain year to show the existence of deficits in the United States service, as a matter of fact deficits have marked the whole history of the business of the United States Post Office Department since 1822 with the exception of one single year, 1882, when there was a surplus of \$1,000,000. It will be noticed that although the deficits are increasing the percentage of deficits is decreasing. In other words by a wise policy the Postmaster General of the United States is extending the service as public demands require it, and although there is nominally a larger deficit there is actually a less deficit upon the total business of the country. The Postmaster General of the United States continues:

Deficits in the postal service are not to be viewed with apprehension. It is the policy, whenever the postal receipts exceed or come near the expenditures, to extend postal facilities and cheapen the cost of the service to the public. The receipts in 1882 indicated such a

healthy condition of the postal revenues and expenditures as to induce Congress to distribute the benefits of the surplus among the people in the reduction of letter postage from three cents per half ounce to two cents per ounce.

I thought the 2 cent rate was a discovery on our part of the continent, but it seems that they had discovered it first.

Inasmuch as the revenue received from first-class matter at the old rate of three cents per half ounce was about \$16,000,000, the reduction of postage to those writing letters was in the neighbourhood of \$5,000,000.

Under the seemingly double handicap of reduced rates and increased weights, the Post Office Department was compelled to face a newly created deficiency, which in 1885 was about \$7,500,000.

The Postmaster General of Canada must have known these facts. The point to which I wish to call his attention is that when he was dealing with this matter and showing that by reason of their adoption of rural mail delivery they have plunged themselves into a large deficit, it would have been fair, it would have been honest of him, to have said that they previously had large deficits, far in excess, in some years, of what they had since the establishment of rural mail delivery. In 1892 it was \$6,000,000, and from that year until 1897 the deficiency grew to about \$11,000,000. So we find that the deficits that have arisen have not been caused by the rural mail delivery. The Postmaster shows the very contrary, he shows that increased receipts have resulted from the fact of the establishment of rural mail delivery. He says:

During all this time the beneficent grant of cheaper postage not only aided business, but promoted the exchange of personal communications. It helped the farmers to secure the free distribution of literature from State agricultural stations, which Congress authorized in 1887.

Now what is the argument to be deduced from the figures furnished by the United States? The Postmaster General asks, Are we prepared to plunge ourselves into an expenditure of \$25,000,000? Why Sir, the hon. gentleman shows that he has given very little consideration to the subject. In the United States, 13,000,000 of people are being served on an expenditure of about \$12,000,000. The total expenditure of the United States in 1893-4, in connection with the post office was \$152,000,000. Thirteen million are one-sixth of the population of the United States, and one-sixth of the total expenditure for the post office is \$25,000,000. In other words, whilst they have expended upon rural mail delivery a matter of \$12,000,000 or \$13,000,000, a fair proportion of the total expenditure for the rural population for 13,000,000 people, would have been double that amount. Therefore I do not know that I could deduce any more conclusive argument to show, if not that this system should be adopted, at all events that it