

THE  
**National Telephone Journal**

JUNE, 1911.

THE SEVENTEENTH ANNUAL STAFF DINNER.

IMPORTANT SPEECH BY THE POSTMASTER-GENERAL.

THE seventeenth annual Staff Dinner of the National Telephone Company was held in the Grand Hall of the Hotel Cecil, Strand, W.C., on Thursday evening, May 25. Mr. Albert Anns (the Secretary) presided over a large gathering.

On his right was Dr. George Franklin (President of the Company) and on his left the Right Hon. Herbert Samuel, the Postmaster-General. The guests included Lord Harris, Major W. A. J. O'Meara, Mr. S. H. Sands (Vice-President), Sir Robert Hunter, Mr. W. A. Smith, Mr. A. M. Ogilvie, Sir John Gavey, Mr. G. H. Robertson, Mr. S. Z. de Ferranti (President of the Institute of Electrical Engineers), Mr. C. S. Agnew, Mr. A. Siemens (President of the Institution of Civil Engineers), Mr. G. Morgan, Mr. W. O. Danckwerts, K.C., Mr. Edward Morten, K.C., Mr. J. E. Kingsbury, Mr. G. F. Preston, Mr. J. Swinburne, Mr. H. Fedden, Mr. R. H. Claxton, Dr. R. M. Walmsley, Mr. W. Dudell, Mr. A. N. Bromley, Dr. A. Russell, Mr. W. M. Crowe, Mr. T. A. Welton, Dr. Grosvenor, Mr. A. S. Hibbard, Mr. J. F. Bond, Mr. H. Laws Webb, Mr. H. F. Anns, Mr. C. A. Baker, Mr. H. S. Carey, Mr. A. A. Clark, Mr. T. C. Jenkin, Mr. A. Ross, Mr. G. Sutton, Mr. S. Thirkell, Mr. H. T. Waddy and Mr. H. H. Gaine. The chief officers present were Mr. F. Gill, Engineer-in-Chief; Mr. S. J. Goddard, General Superintendent; Mr. W. E. Hart, Solicitor; and Messrs. C. B. Clay, J. C. Chambers, A. Coleman, W. W. Cook, F. Cowley, R. A. Dalzell, E. Hare, C. J. Phillips, R. Shepherd and F. Douglas Watson.

The following members of the staff and their friends were present:—

Messrs. W. Aitken, R. Aitken, F. Albany, A. J. Aldridge, W. Allan, H. J. Allen, O. Allen, S. O. Allen, W. W. Allen, V. Alsop, J. M. Anderson, C. Appleford, E. Armstrong, C. F. Arrowsmith, C. F. Ashby, J. Ashton, J. S. Atkinson, R. Audsley, J. C. Bacon, C. F. Baldwin, F. G. C. Baldwin, V. Baldwin, A. E. Ball, A. J. Barnes, W. Barnett, H. Barnett, F. Barr, E. C. Bates, T. A. Bates, A. H. Baxter, G. Bean, R. S. Beckwith, R. W. Bell, R. C. Bennett, J. S. Best, J. H. Bigland, W. Biles, J. A. Blackwood,

R. J. Blackwood, W. E. Blake, C. J. Bodenham, W. R. Bold, C. A. Bostock, T. S. Bowes, A. Bowers, C. H. Brandreth, J. Brentini, J. Bridger, J. W. Briggs, A. G. Bristow, H. H. Broomhead, J. L. Brown, F. B. Brown, J. R. Brown, W. Brown, W. Brown, G. Buckeridge, J. Burnside, R. B. Bumiller, E. S. Byng, J. W. Champion, A. E. M. Carey, G. M. Carr, C. W. L. Carter, H. Chambers, R. M. Chamney, A. Chanter, C. Chanter, R. Chanter, W. B. Cheetham, P. Chester, T. J. Clark, R. Clunan, P. R. Cockrem, A. J. Cohen, B. S. Cohen, M. E. Connor, A. E. Coombs, J. F. Coote, T. Cornfoot, H. G. Corner, A. E. Cotterell, W. Coulsell, W. L. Cowderoy, W. B. Crompton, T. E. Crosby, R. F. Crow, F. D. Crowe, W. Cullum, A. L. Curling, R. Curling, P. F. Currall, J. Darke, H. M. Darville, F. H. L. Davies, H. Davis, J. E. Day, H. F. Deane, A. Dearle, A. L. De Lattre, A. C. Devey, W. Dickinson, F. C. Disher, P. V. Dowson, C. E. Drabwell, A. L. E. Drummond, F. Duerth, F. P. Dumjahn, A. Du Vernet, H. Eady, T. J. Early, P. Edmond, J. F. Edmonds, C. Edwards, C. Elliott, H. Elliott, P. Erikson, L. G. Evans, C. W. Eve, J. Ewing, L. J. Farries, A. Faulkner, C. E. Fenton, J. G. Ferguson, S. S. Firth, T. Fletcher, W. S. Foale, W. M. France, E. S. Francis, F. W. Francis, D. B. Fulton, J. R. Gall, A. Garner, W. E. Gauntlett, F. W. George, E. J. Gillett, G. Gillmore, W. H. Glencross, E. H. Goodman, J. A. Gordon, A. Gray, G. H. Gray, H. C. Gray, W. J. Gray, H. Green, G. F. Greenham, W. H. Gunston, J. H. Gwyer, E. L. Hague, W. Haimes, A. C. Haley, J. W. Hambleton, T. Hann, T. E. Hanson, F. W. Hanson, R. W. Harding, W. R. Harding, A. H. Harris, T. Harrison, W. J. Hart, F. C. Hawker, P. Head, G. Hey, F. W. Hibberd, E. J. Hidden, S. F. Hill, F. G. Hives, J. Holden, G. W. Hook, E. Hooper, G. Hooper, L. T. Horne, W. Howe, C. Hughes, H. Hyde, S. H. Ings, R. W. Jackson, J. James, E. J. Jarrett, J. H. Jenkins, F. K. Jewson, E. J. Johnson, G. Johnson, J. A. Johnson, R. Johnson, J. E. Jones, T. W. Jowett, Major Kennedy, A. M. Kidd, F. G. A. Kiff, J. King, W. H. King, H. Kingsbury, P. P. Kipping, W. H. Kirk, J. H. Kirkham, W. C. Knapman, E. A. Laidlaw, A. R. Lamb, F. D. Latimer, O. G. Lee, T. F. Lee, W. Lee, J. Lemon, L. H. Lewis, H. P. Lloyd, R. W. Lloyd, W. U. Lonnon, F. A. B. Lord, J. N. Lowe, L. H. Lowe, A. Lynn, S. Maber, D. Macadie, W. Macauley, H. S. McCashin, G. A. McDonald, F. G. McGinness, D. McIntosh, K. McKenzie, A. G. Mackie, J. McLeish, N. McLeod, A. Maclean, H. J. Maclure, G. M. Maddock,

A. Magnall, G. Mahn, J. B. Mairs, W. J. Marsh, A. Martin, J. Mewburn, W. J. Miller, H. C. H. Minns, S. Moody, C. E. Morgan, R. Morgan, L. F. Morice, C. F. Moorhouse, W. V. Morten, A. K. Murray, J. K. Murray, W. Napier, J. Newland, E. W. Newton, G. E. Nichols, A. K. Noakes, W. Noble, A. A. Notley, J. J. O'Connor, F. Oliver, W. C. Owen, W. Padget, E. T. Payne, G. A. Payton, C. T. Peacock, J. R. Peacock, W. V. Pegden, E. A. Pearson, H. M. Pease, A. Perkins, T. Pettigrew, S. J. Pharo, C. H. Phillips, H. Phillips, C. W. Piggott, H. S. Plymen, S. H. Pook, J. Poole, G. Pratt, P. H. C. Prentice, L. Price, E. L. Preston, T. A. Prout, A. Pugh, J. D. Pugh, T. F. Purves, A. R. Pulford, J. E. Pullen, R. B. Rae, C. G. Ransley, E. J. Rathbone, C. E. Redhead, C. H. Redhead, H. Reid, C. Remington, T. C. Rhodes, W. F. Rhodes, T. Richardson, A. Roberts, F. Roberts, D. Robertson, T. Rodger, E. Rowan, A. E. Ruddock, C. W. Salmon, N. A. Saltmarsh, H. G. Savage, J. Scott, W. D. Scutt, W. R. Senior, J. M. Shackleton, J. Shea, F. W. Shorrocks, C. H. Sibley, F. E. Sims, A. M. Sinclair, A. W. Smith, F. M. Smith, J. T. M. Smith, S. J. Smith, J. Sneath, A. Spargo, C. F. Spears, A. Speight, E. R. Spence, G. F. Staite, B. Standen, O. W. Stevens, J. D. W. Stewart, W. D. Stewart, O. S. Stiles, W. E. Stiles, J. Stirling, E. E. Stockens, J. H. Storrie, C. F. Street, D. Stuart, C. H. Summers, F. Summarsell, H. B. Sutcliffe, J. H. Swain, J. W. Swithinbank, A. O. Tame, J. T. Tattersall, W. Taylor, F. C. Taylor, F. D. Taylor, F. W. Taylor, W. F. Taylor, J. S. Terras, J. Thirkettle, H. S. Thompson, H. H. Thomson, W. Thyne, J. E. Tinker, R. Tucker, A. T. Turney, J. W. Ullett, W. A. Valentine, B. Waite, G. Walker, J. C. Walker, J. H. Wall, D. Wallace, G. S. Wallace, A. S. Wallis, W. E. Walton, N. F. K. Ward, S. R. Warren, F. E. Waters, J. K. Waters, J. H. Watkins, A. M. Watt, A. Watts, P. Wayne, S. W. Weatherburn, W. E. Weston, C. E. Wetton, J. W. Wheeler, S. F. Whetton, J. T. Whitelaw, H. H. Wigg, F. Wilkins, R. H. Williams, E. Williamson, R. Williamson, A. B. Willis, G. K. Wilson, J. H. Wilson, L. E. Wilson, F. Wincombe, C. S. Wolstenholme, E. J. Woods, F. A. S. Wormull, C. C. Worte, A. R. Wran, C. G. Wright, J. Wrigley and S. A. Young.

The following newspapers were represented:—*The Times*, *Standard*, *Daily Telegraph*, *Daily News*, *Daily Mail*, *Electrician*, *Electric Engineer* and *Electrical Review*.

After the usual loyal toasts had been duly honoured, the CHAIRMAN, in proposing the toast of "The National Telephone Company," said:

Mr. Herbert Samuel and Gentlemen,—This is a memorable occasion, not only because it must of necessity be the last of these annual gatherings during the official existence of the Company, but because it is our happiness and our good fortune to have with us to-night, for the first time, His Majesty's Postmaster-General. (Cheers.) I need hardly say how warmly we welcome him, or how much we appreciate his presence, and that of the other representatives of that great Department of the State, the General Post Office. (Hear, hear.) Time will not permit of my referring to the many services which are so ably and efficiently rendered by the Post Office, and I must content myself with merely mentioning the greatest of those services, that is the collection and delivery of letters, in which it is pre-eminent among the nations of the world. When you talk of the Post Office you naturally think of the Parliamentary chiefs who have presided over the destinies of the Department during the period of the existence of the National Telephone Company; and when you remember that the position of Postmaster-General has been filled, as it is at the present time, by able and distinguished men, and that behind the Government is Sir Robert Hunter, you will appreciate how strenuously the Directors have fought, in cricket parlance, to keep our end of the wicket up, and it is not at all improbable that on the 1st January, 1912, we may still be "not out." (Laughter and cheers.) You will recollect that when we met last year we were lamenting that so many loyal servants of the Company, through no fault of their own, but for reasons of which you are all well aware, were being forced to leave the Company's service and to seek employment elsewhere. It was a great relief to all of us, and one that we received

with much thankfulness, when the President with the hearty concurrence of every member of the Board declared that, no matter at what cost, these dismissals should cease, and, Gentlemen, they have their reward in the monthly returns which show the ever-increasing prosperity of the Company? (Cheers.) Then there was another matter about which you were very unhappy, and as to which I know you are still much worried, and that was with regard to your future as servants of the Crown. I was hoping, and I had good grounds for my hopes, that the President would have been able to-night to indicate to you that a satisfactory arrangement had been made regarding your future as servants of the State. But the consummation of my hopes is not yet, the good tidings seem to loiter by the way, and I am still nursing my optimism that all will come right in time. After your splendid services to the State, for your services have been rendered to the State—for are you not licensees of the Postmaster-General and have you not contributed enormously to the revenues of the State—and having regard also to the recommendation of the Select Committee of 1905 that no servant of the Company should suffer on the transfer, I say that it is not right—it is not just that you should have this cruel anxiety with regard to your future prospects as servants of the State. If the rules and regulations of the Civil Service do not adapt themselves to the present state and condition of affairs, then I submit very respectfully that those rules and regulations should be amended so that justice—and you are asking for nothing more—should be done to every member of the staff. (Hear, hear.) I know this is a matter on which you all feel very keenly, and I cannot trust myself to say anything more on the subject except to reiterate my firm conviction, which I have stated on previous occasions, that in the end you will all receive fair treatment. Since the last dinner you have started on the colossal work of making an inventory of the multitudinous items which are called our plant. Recently there has been the numbering of the people—what we ordinarily call taking the census—and it has been a great task, but as far as details are concerned I do not think it will compare with the work which you have now in hand and which is being done by the Inventory staff. It is quite true that in the papers which we had sent to us in respect of the census we were requested to state our ages, but we were not asked to state what our expectation of life was, what our unexhausted capacity was, or on what basis we were making provision for the depreciation which is taking place in each one of us day by day. (Laughter.) And when one realises the magnitude of the task which is now on your shoulders, is it to be wondered at that a doubt has arisen in the minds of some of us whether all this work and great expenditure ought to be necessary in order to determine the value of our undertaking. But Parliament in its wisdom has declared that it is, and all we have to do now is to carry out loyally the terms of the Agreement of 1905. A great deal has been said and written with regard to the flat and measured rate methods of charging for the telephone service. Why it is called the flat rate I never could understand, for it seems to me it was the sharp ones who took advantage of it. (Laughter.) But I think a great deal can be said for the subscribers on the flat rate system, who have been supporters of the Company from the very beginning, and who, like a man who puts his money into a mining venture, is content to take the risks and to wait and hope for success. But that is no reason why those who come in afterwards, when success is assured, should not pay the full price for the benefits they receive. Now may I give you a few figures to show the extent and magnitude of the Company's business? On Dec. 31, 1910, you had opened 1,570 exchanges, you had connected up over 530,000 stations, and you had spent on capital account about sixteen millions of money. With regard to the last item I want to point out that in view of the uncertainties of 1911 the Directors' policy has always been to charge the capital account as lightly as possible, and to let the heavier burden fall on revenue account. By this I mean that had we been a continuing company such, for instance, as a railway company, the capital account would have been swollen—and very properly swollen—to quite a considerable extent. But I must be careful not to let out too many secrets or I may be cashiered before the "appointed day." (Laughter.) But I think I have said enough to make you understand that the capital account does not represent the full amount you have spent on this business, in the same way as the revenue

account does not disclose the true profits to be derived from this undertaking. Then the gross revenue was over £3,400,000, and as you know the first charge on this revenue is the Government tax, which last year was about £330,000, and which will, before the end of the licence, amount to about three and three-quarter millions of money. In other words, you will have made the nation a present, in the shape of royalties, of an amount nearly equal to the value of two Dreadnoughts. Well, on the top of these royalties you have rates and taxes—last year about £150,000—taxation without representation, and these royalties and these rates and taxes make you appreciate the position of poor Sinbad the Sailor with the Old Man of the Seas round his neck trying to stifle the life out of him. (Laughter.) But despite all these burdens you showed a net profit of over £1,100,000, surely a very fine achievement. (Hear, hear.) And as regards the staff, of which I am proud to be a member, and which numbers at the present time about 18,000 men and women, I must fall back on the words used by the President at recent meetings of the Shareholders when he told them that for efficiency and for loyalty it was second to none of any of the companies with which he was associated or had any knowledge of. And thank goodness, with regard to the staff there is no question of its suitability or of its being necessary to conduct the business which you have hitherto carried on so successfully. And what is to be paid for this great business and this wonderful organisation? Well, you are not to receive anything for the business, you are not to receive anything for the organisation. The proposal is that you shall be paid only for a portion of your plant, land and buildings, and that at a depreciated value. Now when you consider these terms and the advantages and benefits that pass to your successors, I am sure you will endorse what I said, I think last year, that it will be a transaction without a parallel in the commercial history of the world. With all these facts before it, I cannot and will not believe that the Government will approach the settlement, either as regards the staff or as regards the shareholders, in what I might call a niggardly spirit. (Hear, hear.) When Benjamin Disraeli, with that foresight so noticeable in members of the gifted race of which he was such a brilliant example, acquired the Khedive's shares in the Suez Canal, the advantages which accrued to this country were great, but I venture to think that they will be as nothing compared to the benefits which will come to us from a social, domestic and commercial point of view, when this telephone business passes into the hands of the State—or some authority—that has a free hand, which we never had; unlimited capital, which we never had; and statutory powers to enable it to do the work in the quickest and most economical manner, which, again, we never had. By this I do not mean to suggest that you have not done well. On the contrary, I think you have every reason to be proud of the magnificent business which you have created and established in spite of the almost insurmountable obstacles and difficulties that have been placed in your way by Government, by local authorities, and by individuals. You have been the pioneers of this great industry, you have borne the heat and burden of the day, and, like the settlers of old, you have cut a path through a veritable jungle of difficulties and obstructions and you leave a broad and a safe way for those who come after you. This is not the time or place in which to remind you of the inconsistent treatment which has been meted out to the Company by successive Governments, nor dare I refer to the Agreement of 1905, which hitherto we have called the purchase agreement, but which for the future I suppose we shall refer to as the objectionable agreement. And when the true history of the Company, the inner history, comes to be written, as I hope it may be some day, and the whole truth is known, I am confident that the verdict of posterity will be that the National Telephone Company deserved well of the nation. (Cheers.) It may be that, for some of us, the next few months will bring us to the parting of the ways, and we may have to say goodbye to loved and loyal comrades with whom we have worked in such happy fellowship for so many years. For some it may mean making a new start in life, perhaps in that great land which is sometimes called the New World, and where energy and intelligence so often meet with a full reward. But when the end does arrive I confidently anticipate that the President, as voicing the sentiments and feeling of the Board of Directors, will send to each and every one of you the

message, "Well done, thou good and faithful servant." And now, for the last time, I have to ask you to wish the National Telephone Company, during the few remaining months of its existence, a continuance of that bright prosperity which is at present shining upon it, and with this toast I couple the name of one who has been a just chief and a dear friend to every one of us—our esteemed President, Mr. George Franklin. (Loud cheers.)

Mr. GEORGE FRANKLIN (the President), who was accorded a very hearty reception, said: Mr. Chairman, Mr. Samuel, and Gentlemen, it is with a feeling of considerable pleasure that I rise to respond to the toast which the Chairman has proposed so ably, and which you have welcomed so enthusiastically. The Chairman has referred to this as our last annual dinner. All I can say is that if this is a funeral feast, and if the meats of which we have partaken are the baked meats which accompany such an occasion, we have every reason not to be downhearted—at all events I see no signs of downheartedness on the part of the audience. (Hear, hear, and laughter.) I am able to assure the Postmaster-General tonight, as I have assured his predecessors, that among all the assets—the valuable assets—which he will take over with the property of the National Telephone Company, he will have none of greater value than the able and devoted staff of this Company. (Cheers.) I have been asked by Lord Hartis, who has been commanded by the King to attend His Majesty's Court, to apologise to you on his behalf for his slipping away rather early in the evening. Other of my colleagues are here, and will be able to bear testimony to the feeling which the Board of Directors have with regard to the staff, as to which I wish more particularly to refer hereafter. The Chairman has reminded us in his speech that the year 1911 has arrived, and he has also reminded us that 31 years ago, or thereabouts, this National Telephone Company was born of the Post Office. Therefore, we may say that the Post Office stands in the position of parent to the Company. The Scriptures say that "man is born unto trouble." Certain it is that the Company has been born unto a succession of troubles. (Laughter.) Year after year, since it came into existence, the Company has been the object of a series of attacks, and whether in that we recognise a form of parental discipline, or look upon them as affection which is only concealed, I think we shall recognise that, perhaps, after all the spirit of our parent was the spirit of the Spartan mother who, on offering to her son his shield, said, "Either this or upon this." I imagine that when a Postmaster-General gave a license to the Company it was given in the spirit of that Spartan mother. (Laughter.) Now, parents, I am told, often find their children a source of expense, but in this case it is the child that has found the parent a great source of expense. (Laughter.) No less than 23 per cent. of the Company's net earnings, or 10 per cent. of the gross earnings, have been absorbed by its parent, the Postmaster-General, and have been exacted for the full term of 31 years, or thereabouts, and that for no consideration at all. I suppose that on the demise of the offspring, which is to take place shortly, the latent affection of the parent, which has been but concealed from our eyes all this time, will be revealed and become more manifest, in which case many of the difficulties which appear to confront the lawyers and surveyors to-day will be things of the past. Two years ago the late Secretary to the Postmaster-General, Sir Henry Babington Smith, speaking on the occasion of your annual dinner, referred to the relations between the Post Office and the Company as those having reference to an engagement in marriage, and he hinted at difficulties in regard to settlements. Unfortunately, I am unable to say that those difficulties have disappeared, but I venture to think that with a clear-sighted view which is permissible even in telephone questions, it is possible that those difficulties which loom large to-day may be smaller by and bye. The Chairman has referred to figures, which, after all, are more eloquent than facts. (Laughter.) At all events it is said they prove a great deal more. You have this solid fact with regard to the National Telephone Company's business, that, whether it be on the flat rate or measured rate, putting all the messages together, we find that the number transmitted during the past year numbered something like 1,500 millions. That is a record of which I think any company can be proud. (Hear, hear.) The Chairman has

also referred to the gross income of the Company of some three and a half millions, and to the number of the Company's stations of some 550,000. Those figures are eloquent of the fact that, notwithstanding the difficulties which have been imposed upon us, the Company have endeavoured, as Englishmen do as a rule, to grapple with them and turn them to the best account possible. At all events those figures constitute a record of which this Company may be and are justly proud. Now, this brings me to the position of the staff. The Board feel very great pride in the work which has already been accomplished, and that reminds me that during the past year there has been placed upon the staff a very great additional burden by reason of the inventory now being prepared for the benefit of the Postmaster-General. The inventory is occupying a period of something like fifteen months, and a very large staff are engaged upon it. But the point I want to make is that the Board are full of appreciation of the way in which the staff generally have responded to the call made upon them in connection with the taking of the inventory. They are full of appreciation of the admirable way in which that inventory has been so far made; they are full of appreciation of the fact that without any attraction at all the officers of the Company responded most willingly to the heavy call made upon them in reference to that work. I have said so much with regard to the Inventory staff, but a not less meed of appreciation ought to be given to those who are stopping at home and largely doing the work of those who have gone on the Inventory staff. (Hear, hear.) That is a little less heroic, perhaps, but it is no less serviceable, and it is none the less appreciated by the Directors. (Hear, hear.) My colleagues and I have fully appreciated the fine spirit which has been displayed by the staff throughout, and as to the arrangement for the staff on the transfer of the undertaking to the State, let me say that the policy and desire of the Board is that no officer of the Company shall be prejudiced by reason of his transfer. This was the recommendation of the Select Committee of 1905, a recommendation which I have no doubt will have full weight with His Majesty's Postmaster-General, who has given us the pleasure of his company here to-night. (Cheers.) Those of us who have seen and watched with keen interest the attitude which the present Postmaster-General assumes on questions affecting the large staff under his authority may, I think, feel sure that he will not be unmindful of his duty to the staff he is about to take over from this Company, or of the recommendation of the Select Committee of 1905. (Cheers.) To give effect to that recommendation it is just and necessary that all members of the Company's Pension Fund staff shall be placed upon the establishment of the Post Office under conditions not less favourable than they are at present enjoying. So much with regard to the Pension Fund staff; with regard to the remainder of the Company's staff, a large number will, I understand, be placed on the establishment of the Post Office, and in all cases the Directors will endeavour to obtain fair and equitable treatment. That such treatment should be meted out to them appears to the Directors not only what justice dictates, but what the best and truest interests of the Post Office dictate. One question of very great interest to the staff is the method of dealing with the Pension Fund. Without professing to go into the legal technicalities, I understand it is not provided in the Pension Fund Trust Deed that the Fund should be closed and wound up on the expiration of the Company's license. The Directors of the Company and the trustees of the Fund, however, feel that it is very desirable in the interests of the staff that the Fund shall be closed on Dec. 31 next, and the assets distributed as quickly as possible thereafter. The Central Committee of the Staff Transfer Association have asked that steps shall be taken to have the Fund wound up on Dec. 31. This can only be done by the consent in writing of a majority of the members of the Fund, and I am advised that the position of existing pensioners must not be adversely affected. Further progress with the proposal awaits the result of negotiations as to the future position of the staff in the Post Office service. On this question I can say nothing now, but whenever it is settled the Board and the trustees will gladly co-operate in winding up and distributing the Fund at such date as may be agreeable to the staff. Those are the arrangements which are the necessary sequence of the termination of the Company's license, and, although I am unable at

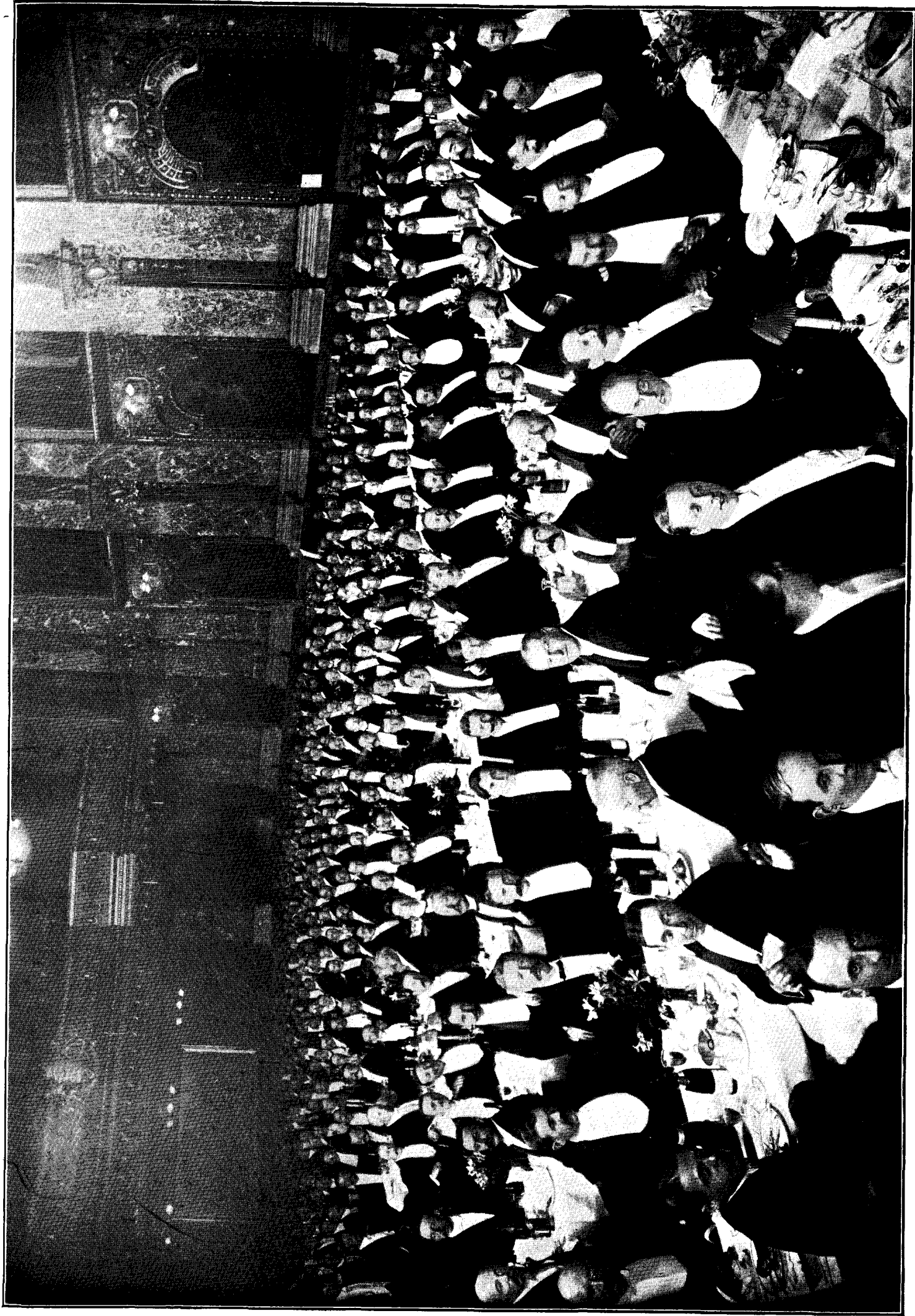
the moment to carry the matter further, there is one gentleman here who may be able to do so, and if we can convince him, as I think we can, that the taking of any other course than that I have indicated with regard to the Pension Fund staff will bring about an injustice, then I am sure that the present Postmaster-General is the very last man to wish to do anything of that nature. (Hear, hear.) May I, before I sit down, repeat on behalf of my colleagues, our warm appreciation of the valuable services which have been rendered by the staff in the years which have gone by, and our great appreciation of the admirable way in which the peculiar difficulties of the position have been met by them. The Company's difficulties could never have been surmounted but for the vigilance and accuracy and uprightness of the staff, and therefore the concluding words which I wish to speak at what is probably your last annual dinner are to express appreciation of your services and to assure you that our desire is to try and enforce upon those who are to follow that a measure and meed of justice should be given to those who have served the Company so well. (Loud cheers.)

MR. STANLEY J. GODDARD: Mr. Chairman, Mr. Herbert Samuel and Gentlemen, the toast, which I have the honour to propose to you to-night is that of "Our Guests." It seems to me that hospitality is more or less inbred in the human specie. If you think for a moment, you will remember that you have often seen even small children sharing a crust of bread with one another, and I think perhaps that is the inception of hospitality. That the National Telephone Company's staff is not without this blessing or this grace cannot be denied. I know for myself that I have experienced the hospitality of the staff in all parts of the country, and that I have suffered from it in Scotland. (Laughter.) My suffering has arisen from the pipes and the haggis. (More laughter.) I am sitting among some Scotsmen now, so I shall not dare to try and dissect the haggis. I have tasted it, and I sincerely hope I shall never taste it again. (Laughter.) Now, Gentlemen, we have to-night with us a lot of distinguished guests. We are more blessed in that respect than we have ever been before. It would be an impossible thing for me to go through their virtues and to tell you their leading traits, and I am only going to mention a few. First of all I will mention, and couple with this toast, the name of the Postmaster-General, Mr. Herbert Samuel. (Cheers.) We welcome him to-night, I think, in two capacities which are almost identical, but are really divided. We welcome him in his capacity as one of the Cabinet Ministers of His Majesty King George V, and we also welcome him as being the representative of that great Department which has always been so intimately connected with the telephone service, and which will in future be still more intimately connected with it. We welcome him as representing those members of his staff with whom we each of us in our several spheres are continually brought into contact day by day, and in welcoming him we welcome them. (Hear, hear.) Another of the guests I am going to couple with this toast is Mr. Ferranti, who is, as you know, the President of the Institute of Electrical Engineers. The name of Mr. Ferranti makes one travel back a long period, because he has indirectly for some time past been connected with telephone men. I well remember that the late President of the Company, Mr. J. S. Forbes, was chairman of the London Electric Supply Corporation, with which Mr. Ferranti was connected in his early career, and of which Mr. H. F. Lewis, known to many of you in connection with the Western Counties and South Wales Telephone Company, was the manager. We have also with us to-night our Directors whom we are always pleased to see, because we know that they have the interests of the staff entirely and always at heart. Then we have Mr. Alexander Siemens, President of the Institution of Civil Engineers. We have also Mr. Dudell, the inventor of that most extraordinary apparatus which enables us to see delineated on paper the effect of one's own voice—the oscillograph. We also have a lot of our friends with us, men we have known for years and whom we are always pleased to see. Among them let me mention the name of one or two. There is Mr. Claxton here to-night. (Cheers.) He is indeed an old friend, and has borne a great deal of the heat and burden of the day. Then we have another old friend in Mr. Preston, and when we look at his beaming face and ever-expanding form, it makes it extremely hard

# The National Telephone Company's Seventeenth Annual Staff Dinner.

HOTEL CECIL, LONDON, MAY 25, 1911.





Photos by Fratelle & Young, London

to believe that the service of the Post Office is more onerous than that of the National Telephone Company. (Laughter.) Well, we honour and welcome all these guests, and, as I have before stated, we especially welcome the Postmaster-General and Mr. Ferranti, whose names I couple with the toast of "Our Guests"—a toast which I ask you to drink with enthusiasm. (Cheers.)

The Right Hon. HERBERT SAMUEL, M.P., the Postmaster-General: Mr. Chairman and Gentlemen, I appreciate, I need hardly say, very greatly the honour which you have conferred upon me in including me in your list of guests at the Staff Dinner to-night of the National Telephone Company, and I must thank you for the invitation you have extended to me so kindly and for the welcome you have given me with such cordiality. On my own behalf, and on behalf of my fellow guests, I thank you very warmly. There are, it is true, certain divergences of interest between the Post Office and the National Telephone Company which are now in process of more or less amicable settlement. The settlement certainly is being conducted, and I think will be conducted, without any bitterness. The points at issue which remain for decision arising out of the execution of the policy decided upon between the two parties six years ago will be decided, I feel sure, with good feeling on both sides; and the presence at this board to-night of so many of the heads, both of the Company and of the Post Office, is a happy proof of the good feeling shown on both sides. You gather here to-night at what you have been told, by previous speakers, is the last dinner of the National Telephone Company's staff. You will naturally feel some sentiment of regret at the severance of a connection which has lasted for so many years between yourselves and the Company, a well-managed Company which has built up a great business with profit to its shareholders in spite of those onerous exactions on which the President dwelt—(laughter)—with advantage to the British public at large, and with, I trust, advantage to those whom I see around me to-night. This is a domestic gathering, my presence at which, I feel, almost might be regarded as an intrusion. (No, no.) You here, I am afraid, may look on the Postmaster-General as a portentous shadow falling across the brightness of this festive gathering. (Laughter.) I do not know whether any of you are acquainted with the beautiful poem of him whom I regard as the greatest of our living poets, William Watson. He, in one of his poems, uses these words:

Ah! but the apparition, the dumb sign,  
The beckoning finger, bidding us forego  
The fellowship, the converse, and the wine,  
The song, the festal glow;  
And ah! to know not while with friends we sit,  
And while the purple joy is passed about,  
Whether 'tis ampler day divinelier lit  
Or homeless night without.

Well, if I am to be regarded as the apparition, the dumb sign, the beckoning finger, I can assure you there is every probability you will find, not homeless night, but ampler day divinelier lit when you go over to the other world which the Post Office opens out to you. (Cheers.) I can assure you that throughout the interests of the staff of the Company have been fully considered and will be fully considered, and that it is not merely my desire, but my determination, and the determination of the heads of my Department, to see that full justice is done to all and to each of the members of the staff of the National Telephone Company on their transfer to the State. (Cheers.) You are aware of the general lines upon which, so far as the staff is concerned, the transfer will be effected, for they were declared to the House of Commons by the then Postmaster-General, Lord Stanley, in a Memorandum read to that House in 1905. I should tell you to-night that it has been thought advisable in certain particulars to modify certain conditions then expressed, but I may relieve your minds by saying that

all those modifications are favourable to the members of the staff (Cheers). Lord Stanley then said that the Postmaster-General, whoever he might be—and, as we all know, Postmasters-General are a fleeting race—(laughter)—and he foresaw, no doubt, with some certainty that he would not be, when 1911 came, holding the position he then occupied—but he announced, and his pledge is binding on his successor, that whoever in 1911 should be Postmaster-General would take into the service of the Post Office the members of the National Telephone Company's staff who were not clearly disqualified and who were not in the fortunate position of being in receipt of great salaries, to whom continued employment would of course be a matter of entire indifference. (Laughter.) But the rest of the staff who had not less than two years' service would, Lord Stanley stated, be taken into the employment of the Post Office. But I have since been able to announce that not only those who have more than two years' service, but the whole of the staff, irrespective of the length of their service, with some very few and exceptional cases, would be taken into the service of the Post Office, and we are looking forward to having the advantage of the assistance of that highly trained and highly efficient body of men, almost all of whom will be taken into our employment if they so desire, although their service with the Company has been less than the specified period of two years. (Cheers.) Secondly, it was announced that no medical examination would be imposed on the staff as a condition of their admission into the Civil Service of the Crown, a medical examination which would otherwise be necessary. Not only will that pledge be adhered to—it was qualified by possible exceptions in cases where the sick leave of individuals had been quite abnormal—but the other examination, the literary examination which is necessary for ordinary entrance into the Civil Service, will be waived in the case of the employees of the National Telephone Company. Another paragraph in the Memorandum dealt with circumstances relating to the employees of the Company who had subscribed to the Company's Pension Fund, and it was declared that if it could be shown that by the closing of the Company's Pension Fund, and by the substitution of a system of Civil Service Pensions, the general body of the staff would be placed in a substantially less favourable position, then the Postmaster-General would consider the expediency of allowing members of the staff to add two years to their service with the State for superannuation purposes. On further consideration I have determined, after consultation with the Treasury, that it is not necessary to impose the condition that was mentioned by Lord Stanley, and we shall not embark upon any enquiry whether or not the general body of the staff are disadvantaged by the transfer in respect of pensions, but we shall grant a general allowance of two years' additional service to those who desire to claim it. After all it does not seem to be a very fair thing that individuals should suffer merely on the ground that the general body of the staff do not suffer. The condition in itself is not really consistent with abstract principles of justice. But there is a further provision which will be found in the Telephone Transfer Bill, which it will be my duty to introduce into the House of Commons in a few weeks' time, and I think this has not yet been publicly announced. We propose to allow an option to all those who now contribute to the Company's Pension Fund to assign their share in the Fund, if they so desire, to the Postmaster-General when the Fund is wound up, and in exchange they will be allowed to count all the years which they have spent in the service of the Company, and during which they have contributed to the Fund, as though they were years spent in the service of the State, for pension and superannuation purposes. (Cheers.) Those who have been original members of the Pension Fund, who were in the service of the Company before the Pension Fund was established, will be allowed to count all the years they have spent in the service of the Company

as though they were years spent in the service of the State, for the purpose of a pension. (Cheers.) They will count as though they had been years spent in the service of the State in the offices to which these officers are transferred in the service of the Post Office. Those are the more important modifications which will be proposed, all of which, as I have said, will be to the advantage, and some of them greatly to the advantage, of members of the Company's staff. There are other minor ones on which I need not dwell. Comparisons are always odious, and certainly this is not the occasion on which to embark on any comparison of the conditions of service which you will enjoy in the Post Office and those you have enjoyed with the Company, but I may perhaps mention only one fact. Many of those whom I see around me will, so I am informed, when they come into the employment of the Post Office, in their subsequent years, have the benefit of one week's more leave in the year on full salary. (Laughter and Cheers.) That alone, I think, will be a powerful attraction on the part of the new love compared with the old. (Laughter.) One week in each year, spent wherever it may be—on the South Coast, in Devonshire, in Wales, on the Continent—will, I trust, be largely devoted to singing the praises, morning, noon, and night, of the admirable arrangements of the Post Office Department. (Laughter.) Gentlemen, I know there has been in your ranks some anxiety for some time past as to the conditions that may await you in the new service to which you are going. There have been fears that the Telephone Company's staff may be, so to speak, thrown into the mass of the 200,000 employees of the Post Office, and find themselves lost there, that they will become mere cogs in the wheels of official routine, that their specialised skill may be unrecognised, that personal zeal and merit may be ignored among the great mass of the employees of the Post Office Department. Gentlemen, that will not be so. The Post Office is not ignorant of matters relating to telephony. It is well aware that it is a highly specialised, highly technical industry. We have passed the stage of the engineer of whom I have heard, who for years fervently entertained the belief that the difference between a telegraph wire and a telephone wire was that the telegraph wire was solid and the telephone wire was hollow. (Laughter.) You will not find engineers of that kind when you come to the Post Office. We have learned much with respect to telephony. We know how difficult a business it is, how carefully every development needs watching, how vitally important it is that all the details of management should be conducted by men of zeal, capacity and efficiency—men who have a real interest in their task; and I can assure you that your knowledge and experience will not be allowed to be wasted when you come into the service of the State. The telephone work under the Post Office will be kept, in a very large measure, distinct from other Post Office work. (Hear, hear.) There will be a much larger measure of differentiation than in the case of the telegraphs, for example, from the remainder of Post Office work, and we feel sure by that means we shall best promote the interests of the public and best please the great commercial interests to whom the telephone service is becoming year by year of greater importance. Further, we shall follow the wise policy, as I regard it, that has been adopted by your Company of allowing a wide measure of discretion to local officers. (Cheers.) We are aware of the danger of over-centralisation. The tendency in the Post Office in these days is decentralisation, and we do not propose to fall into the error of over-concentrating at headquarters the management of telephone business throughout the country. We are quite alive to the importance of doing what, I believe, your Directors have consistently endeavoured to do, and that is to encourage a high standard of scientific and technical attainment on the part of all officers of the staff, and every encouragement will be given in that direction.

Nor need you fear that promotion in the Post Office will be determined by mere dead routine rules of seniority in which merit will not be taken account. It may be that in earlier years that was one of the faults of the Post Office system. It does not exist to-day, and although seniority must be always an element in the choice of officers for promotion, it is never regarded in the Post Office nowadays as the chief element, but merit, capacity, efficiency, zeal, these are the main considerations in the selection of officers for the higher posts. (Cheers.) As it is in the other branches of the postal service, so it will be in the telephone branch, and zealous officers of the Company—and I know many of you are keen men, anxious to do your duty, your very best—need not fear when they come into the service of the State that their individual characteristics will be overlooked. They may feel sure that each man's personality shall count. (Cheers.) Well Gentlemen, I know, for I have kept in touch with the movements that have been proceeding among the staff of the Telephone Company, that there has been some measure of anxiety among the officers, and it is not strange that men should feel uneasy if they think that their lives are going to be swung this way or that by great external forces far beyond their control. It will be indeed a satisfaction to me if anything which I have said to-night and what is more important than words, if the deeds which will follow later, may, in some degree, relieve any uneasiness that has existed in your minds. I trust that the new will grow out of the old without any shock; with the minimum of hardship to individuals whose lives are affected, and, indeed, with great advantage to large numbers of them; and with the minimum of disturbance to the public at large whom this great and prosperous corporation has served for so long. (Prolonged cheers.)

Mr. S. Z. DE FERRANTI: Mr. President, Mr. Goddard and Gentlemen, following on the very accomplished speaker, who has first responded to this toast, I feel there is very little left for me to say. As however you have honoured me by coupling my name with the toast I cannot do less than thank you on behalf of the guests here this evening for the kindness which you have extended to us in giving us this great hospitality. You have heard much of what will happen, or is likely to happen, in your future, much of what has been done by your great Company in the past. I cannot help, being here, feeling a great degree of sadness at the passing away, shortly to take place, of this great commercial undertaking. It is going to be merged, or rather absorbed, in the Post Office, but still, as I say, there is this passing away of your great industrial concern. This business has been conducted under much the same conditions as have prevailed with the early electric light companies in this country. I have had to do with them in the past, and I know what it is to live and work under those exceedingly difficult conditions, conditions which greatly retard the progress and development of any industry. I know what it has been in the past to get wayleaves before one could give a supply. I fully appreciate, from my experience of that in London years ago, what the business of the National Telephone Company has been in many cases, and I can only feel sorry that such a great enterprise as the telephone should have been handicapped by such an unfortunate necessity. There are many other difficulties, as you on the staff well know, which your Company has had to contend with. Those, however well you have been able to meet them, have largely absorbed your time and energies, and have taken you from the greater development which you might have accomplished if the Company had lived under more genial conditions. (Hear, hear.) The incentive to do well, I think, very largely depends upon what we are going to get out of the results we accomplish, and I must say that I regret that this transfer is being made to the Government, because in the service of the Government you can hardly expect to be working for a profit, and therefore one of the great human inducements is removed for doing the best work, for working for the highest efficiency and making the greatest progress—namely, the greater reward that greater services will bring. (Cheers.) Now you have heard this evening, what many of you already knew, of the immense development of this Company under these circumstances, or in spite of



these circumstances, in this country. You have installed for the public more than half a million stations, an enormous and wonderful result. What have we in the United States—truly, a country of more than double the population—well, let us compare. Are they better people than we are, more enterprising? Do they deserve a better service? The fact is that they have seven million stations. And why is it they have gone ahead more, prospered more, and done more for the service of the community? It is because they have not had to sacrifice themselves, or to be sacrificed, for the benefit of the nation. (Hear, hear) You, Gentlemen, have been handicapped in your work, and your great Company is coming to an end. Why? For the greater benefit of the State and the individuals composing that State. That is at least what we are told, but is it really so? I only wish I could think that that will be the result which will be brought about. Gentlemen, I must again thank you for your hospitality to us, your guests, this evening. I wish you, I am sure, on behalf of the guests, every happiness and prosperity in the new position you will find in the future, and I must congratulate you upon falling into such sympathetic and able hands as those of the Postmaster-General who will soon be your chief. (Cheers.)

Mr. F. DOUGLAS WATSON, in proposing the health of the Chairman, said that he feared he was hardly worthy of the confidence felt in his ability to do justice to the toast, but he knew they would drink their Chairman's health with the greatest enthusiasm. Mr. Anns had been the Chairman at those annual gatherings on several occasions, and they had enjoyed his urbanity in the chair, as on many other occasions elsewhere. There was in that gathering something what they in Scotland would call a "greetin' meetin'," and there was a certain pathetic interest attaching to it as the last staff dinner. He was sure they were all pleased to have had Mr. Anns in the chair at that dinner. (Cheers.)

The CHAIRMAN having briefly responded, the programme of the evening concluded.

During dinner a programme of music was performed by Pitman's Blue Imperial Orchestra, and subsequently at intervals during the evening songs were sung by Miss Mabel Manson, Miss Dorothy George and Mr. Peter Dawson. Mr. Nelson Jackson entertained the company with amusing selections from his *repertoire*.

## THE NATIONAL TELEPHONE COMPANY v. THE POSTMASTER-GENERAL.

### JUDGMENT.

JUDGMENT in these proceedings, which are briefly summarised on page 57, was given by Mr. Justice LAWRENCE on the 29th May as follows:—

This case raises important questions under the Agreement of Feb. 2, 1905, for the purchase by the Postmaster-General of the National Telephone Company's system. That Agreement was come to under these circumstances:

The Company under a license from the Postmaster-General had established a large business, and had in doing so afforded a great public convenience. This license would expire upon 31st Dec., 1911.

The Postmaster-General had in 1901 commenced to afford a telephonic service.

This business had not in 1905 assumed its present dimensions. Since 1911 postal telephones have greatly increased.

The agreement provided for the transfer of the whole system of the Company to the Postmaster-General at the expiration of the license; it was to be transferred as a going concern, but on what are called "tramway terms"; the property to pass under the agreement was to be "all brought into use with the sanction of the Postmaster-General and in use on Dec. 31, 1911." Stores and spare plant of all descriptions were to be included, provided they were reasonably necessary for the purposes of the business of the Company.

Clause 3 of the Agreement gave the Postmaster-General power to exclude from the purchase plant which he considered would be "unsuitable" for the postal service. He was to do this by a notice to be given to the Company not later than Jan. 1, 1911.

The Clause provided that if the Company do not agree with the view taken by the Postmaster-General they must obtain from this Court, before June 30, 1911, a decision that the plant objected to is "suitable," otherwise the Postmaster-General's objection is to prevail and the plant objected to be excluded from the sale. It will therefore remain the property of the Company.

There is a further provision enabling the Postmaster-General in the event of any plant being excluded from the purchase, to enter and substitute other plant for the unsuitable plant. The Postmaster-General has given seventeen notices of objection under this section. These notices are said to be bad in whole or in part, and we have to determine whether this is so.

It became evident at an early stage of the argument that the parties took different views of the meaning of the word "unsuitable"; for the Postmaster-General it was contended that he could object to any plant that he did not want. The point is raised by the application in paragraph 9 and the answer in

paragraph 8. For the Company it was said that the clause had no such meaning, that it gave power to object only on the ground of the quality or character of the particular plant. At our suggestion this question was argued first.

The first thing that strikes one upon it is that the word "unsuitable" points more aptly to quality than to quantity; next it is surprising that a vendor who has to keep his plant in use in order that it should be sold at all, should agree to leave it in the hands of the purchaser to provide as much other plant as he pleases, which will thus exclude his property from even "tramway terms." The Agreement seems to protect the Postmaster-General from having any excessive plant imposed upon him in very clear language—see the provisions as to stores, spare plant and new exchanges in Section 2.

It is quite true that the Company was a licensee only, whose property would be put out of use by the expiration of the licence. But he was a licensee who had performed a great public service and who was ready to agree to tramway terms. What is now being done in providing new plant and new exchanges to take the place of the Company's plant is practically to "scrap" the Company's plant in the condemned exchanges. This does not seem to me to be just and I should require clear words to induce me to hold that such a power was intended to be conferred upon the one party to the Agreement by the other. The words do not seem to me to be clear; on the contrary, when all are read and each receives its natural meaning they fail to support the argument. It is quite true the words "actual requirements" in some collocations might mean real needs, but the telephone is a highly specialised instrument, and electrical science and its applications are constantly developing and producing new and ingenious devices, and I think the words "suitable to the actual requirements" of the service seven years hence may very well apply to the quality and character of the particular plant and not to the sufficiency of some other and different plant, viz., to the Postmaster-General to perform the functions of the Company's plant.

The argument for the Postmaster-General first assumed that "any kind" of plant meant plant of any quality, and not plant of any description or variety. Having made this assumption it proceeded to treat this as showing that the word "requirements" meant "needs" for "kind" had already dealt with quality. It then said the test of these needs must be what the Postmaster-General would want for the combined business of the Post Office and the Company. It thus arrived at the conclusion that any plant of the Company could be excluded from the purchase if the Postmaster-General had become possessed of the other plant of a similar description sufficient to serve the purpose. So that however necessary the plant objected to may have been to the service of the Company,

however high its quality and modern its type, the Postmaster-General could reject it. This seems to me a not very wise or very likely bargain for even a licensee to make, seven years before the expiration of his license; but, laying that consideration aside, it is not the construction at all. When individual words may have two or more meanings you must not begin by assuming one meaning because it happens to suit you and disregard all others.

Further, you must not treat as pedantic and technical a reference to the exact meaning of other words in the sentence merely because they render your assumption impossible. This is what the argument does. It says the "actual requirements of telephone service of the Post Office on Dec. 31, 1911," means the prospective needs of the combined business of the Company and the Post Office on the following day. No reason is vouchsafed why this transposition should be made, but allusions to the public purse and the propriety of economy are gracefully substituted. With this provision the words of Section 9 (1) of the London Agreement should be compared; there the date taken is "after" the determination of the license, not before; even then I do not think that any idea of excluding duplicate or surplus plant is visible, but there is in the section now in dispute a clear change of language, and this should in itself have some intention attributed to it unless this can be clearly negated by reference to other parts of the Agreement.

It was admitted that as applied to sub-clause (A) "suitable" referred to quality and not to quantity and this is clearly so, for in non-competitive areas, however excessive its quantity, all plant must be taken over if made according to schedule, *i. e.*, according to the "requirements" as then formulated. No explanation was offered satisfactorily to my mind why if this were so under (A) there should be a grouping of (A) and (B) together and an application of the same words but with a different meaning to (B); such grouping is only sensible and proper when it is made in order to apply one and the same proposition to both branches of the group. It is clear that when the parties to the Agreement had in mind any question of a surplus quantity they knew how to express their intentions in the plainest language—see Section 2 (1) (D) as to stores and (2) as to spare parts.

There was an argument based on the use of the words "suitable to the requirements" in Section 7 of the London Agreement which deserves notice, for it seemed to me for a time to have some plausibility. It was urged that in that section these words had precisely the meaning sought to be placed upon them here and that this Agreement was based upon that one. Upon consideration I think that the meaning attributed to the words in that section is reached by limiting the application of the word "necessary" which precedes them, and by ignoring the fact that the difference between one route and another is a matter of quality of route and not one of quantity or amount of anything.

The next matter for consideration is alleged invalidity of the notices of objection served upon the Company by the Postmaster-General. It was urged for the Company that these notices were wholly bad on the ground of vagueness and generality, and we were asked to amend the prayer of the application by deleting the words of exception therein contained. I think it would not be proper to make this amendment, both upon the general principles applicable to the amendment of pleadings and also because I think that the exception in question is well founded. The notices are not wholly bad. There is no prescribed form of notice, and a notice is only bad upon the face of it when

it fails to perform the functions for which it was required by the Statute or Agreement.

The purpose which a notice was in this Agreement designed to serve was to inform the Company that the Postmaster-General considered certain property unsuitable, and that he proposed to exclude it from the purchase. The mere notice effected its exclusion, unless the Company within six months obtained an award that it was suitable.

Any form of words which would enable the Company to take into consideration the question, and to decide whether it agreed with the Postmaster-General or differed from him would be sufficient. For if it agreed with him it could make arrangements for the sale of excluded property, and its removal in due course, and for the substitution by the Postmaster-General of other effective plant; or if it differed from the Postmaster-General it could proceed to have the matter decided by this Court. So long as the notice was sufficiently specific to enable the Company and the Court to come to a conclusion upon the matter it would be sufficient.

That the property which it is proposed to exclude should be identified by the notice seems to me to follow from the fact that it is a part which it suggests should be excluded from the whole; and this is supported by the language used in Clauses 3 (1) and 3 (2). It is "such plant," etc., "as he considers will be unsuitable," and the award is to deal with that which has been "specified in the notice of objection."

The London Notice, Part 1, seems to me to comply with these requirements, though it may be that, before the question of fact as to whether the property mentioned therein is or is not suitable, some further particulars might be necessary. The same thing is true of the Abergavenny notice and of other notices. But when I turn to Part 2 of the London Notice, in so far as it purports to apply to plant other than that included in Part 1, it seems to me to be bad: it does not give one any idea of what plant it is, or where it is situate, except that it is in the London area. What it does is to give grounds of objection without stating the property to which they are alleged to apply. It is one thing to specify a piece of property to which you object, and another to specify a quality to which you object. Whether any particular piece of property is open to one or more of these grounds of objection, is a matter about which opinions differ, and until the property is identified the question can neither be considered nor determined.

The notice relating to the non-competitive areas is bad for these reasons. It is no answer to say that it would have been difficult and troublesome to give a notice mentioning the plant objected to. The difficulty of duly exercising a power is no excuse for not doing so if the rights of other parties are affected thereby. Here the Company disputes that any of its property is open to these defects. This form of notice would exclude it all from the purchase unless and until the Company proved to the Court that each particular part had not the defect. This is to change the onus in a manner not justified by anything in the Agreement, and to read "such plant as he considers unsuitable" as satisfied by a notice which is so framed because he does not know the facts and does not desire the trouble of considering them. This, although the Postmaster-General has the right under the Agreement to make the Company furnish him with all the information he may reasonably require.

Mr. GATHORNE HARDY entirely agreed in this judgment, Sir JAMES WOODHOUSE dissenting.