

As a consequence of the American Revolution and the resulting isolation of Canada from Nova Scotia, the first exclusively Canadian postal service, a monthly courier route from Halifax to Quebec, was established in 1788, involving a seven weeks' trip and expenses of about £200, of which only one-third was met by postal charges. Up to 1804 the postal facilities of Upper Canada consisted of one regular trip by courier each winter with whatever mail might reach Montreal during the season of navigation. Charges were necessarily high, \$1.12 being paid on ordinary letters from London to Toronto *via* Halifax.

The first post office in Toronto was opened about 1800. By 1816 there were 19 offices in the two Canadas, and in 1827 this number had increased to 114. At this time the system consisted primarily of a trunk line of communication between Halifax, Quebec, Montreal, Toronto and Amherstburg, over which couriers travelled at varying intervals. Branching off this line were routes to Sorel, Sherbrooke, St. Johns, Hull, Hawkesbury, Perth and Richmond, with most deliveries made once or twice a week.

Hitherto the Post Office had been under the control of the Imperial Department, but considerable agitation resulted in the service being transferred on April 6, 1851, to the several provinces. Only enough mutual control was maintained to insure the continuance of Imperial and intercolonial services. The provinces had complete jurisdiction over the establishment and maintenance of systems and rates.

At Confederation the provincial systems were transferred to the Dominion. The Post Office Act of 1867 established a service throughout Canada. The domestic rate on letters was reduced from 5 to 3 cents per half-ounce, and in 1870 the rates to the United States and Great Britain were reduced from 10 to 6 cents and from 12½ to 6 cents respectively per half-ounce. In 1875 a convention between Canada and the United States reduced postal rates between the countries to the domestic level. In 1878, on the admission of Canada to the Postal Union, letter postage to the countries of the Postal Union was reduced to 5 cents per half-ounce. After a conference in 1897, Imperial penny postage (2 cents per half-ounce) was established on Dec. 25, 1898, while the domestic rate was reduced from 3 to 2 cents per ounce. These rates were maintained until 1915, when a 1-cent war tax was imposed on all pay letters and post cards (except where this would be in violation of international agreements), and also on postal notes. Later the rate to Great Britain was increased to 4 cents on the first and 3 cents on succeeding ounces, while that to Postal Union countries was raised to 10 cents on the first and 5 cents on succeeding ounces. Penny postage again became effective for Canada, the United States, Newfoundland and other countries of the continent of North America on July 1, 1926, and for Great Britain and all other places within the British Empire on Dec. 25, 1928. For these countries the rate is 2 cents per ounce, while for Postal Union countries it is 8 cents on the first ounce and 4 cents on succeeding ounces. In spite of reductions of from 20 p.c. to 33 p.c. represented by these changes, which were effective for 9 months of the fiscal year 1927, Table 80 shows a comparatively small reduction in the net revenue of the Post Office Department in that year, while in the fiscal year 1928, during the whole of which penny postage was in effect for inland post and for the countries of North America, the net revenue of the Department increased by more than \$1,000,000 over that of 1927. The effect of the reduction in rates was largely offset by increases in postal business.

The Post Office Department is administered by the Postmaster-General. Besides the several administrative branches at Ottawa, the Dominion is divided