

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, with the rising costs of the war period, rates were increased. Penny postage again became effective for Canada, to the United States, Newfoundland, and other countries of North America on July 1, 1926, and to the United Kingdom and all other places within the British Empire on Dec. 25, 1928, with later extensions to France and South America. On July 1, 1931, a special revenue tax came into effect on letters addressed to places in Canada, throughout the Empire, to France, to Spain, and to North and South America generally, making the rate in these cases 3 cents for the first ounce and 2 cents for each additional ounce.

The Post Office Department is administered by the Postmaster General. Besides the several administrative branches at Ottawa, the Dominion is divided into 15 districts, each in charge of a District Director or Superintendent of Postal Service. The Canadian system embraces a territory more extensive than that served by any other system, excepting those of United States and Russia, and the relatively small population compared with the great distance to be covered makes inevitable a particularly difficult and relatively expensive service.

Rural Mail Delivery.—A system of rural mail delivery was inaugurated in Canada on Oct. 10, 1908, limited at that time to existing stage routes. The service was greatly extended by new regulations that took effect on Apr. 1, 1912. The result has been an increase in the number of rural routes from approximately 900 in 1912 to 4,775 in 1939, having 270,000 mail boxes as against approximately 25,000 in 1912.

Mail Transportation.—The conveyance of mail by land, water, and air entailed a total expenditure of \$14,782,705 during the fiscal year ended 1939. Railway carriage cost \$6,944,209, land transportation \$6,244,054, conveyance by steamship \$281,152, and conveyance by air \$1,313,290. These amounts were paid solely for services rendered as carriers. For details regarding air-mail services, see p. 738. Special subsidies are granted to assure the maintenance of certain steamship services. Since these subsidized services provide transportation for passengers and freight as well as mail, the subsidies are included with other expenditures on water transportation at pp. 690-691.

1.—Post Offices in Operation, by Provinces, as at Mar. 31, 1934-39.

Province.	1934.	1935.	1936.	1937.	1938.	1939.
	No.	No.	No.	No.	No.	No.
Prince Edward Island.....	115	114	114	114	115	115
Nova Scotia.....	1,600	1,571	1,565	1,551	1,543	1,540
New Brunswick.....	1,004	1,000	1,002	1,009	1,023	1,026
Quebec.....	2,450	2,466	2,494	2,542	2,592	2,625
Ontario.....	2,523	2,540	2,559	2,589	2,623	2,640
Manitoba.....	778	788	788	794	798	806
Saskatchewan.....	1,426	1,433	1,460	1,482	1,501	1,515
Alberta.....	1,213	1,228	1,243	1,246	1,259	1,266
British Columbia.....	889	892	895	908	929	940
Yukon.....	18	18	18	18	18	18
Northwest Territories.....	19	19	18	19	20	23
Canada.....	12,035	12,069	12,156	12,272	12,421	12,514