

This service we assume will be provided for out of the shilling sterling, Packet Postage, and that Her Majesty's Government, out of that fund, will continue to transport the Packet Mails to the Provinces for which they are destined, as formerly was done by the "Unicorn" to Quebec, and subsequently through the Territory of the United States.

To select the rate of Postage best adapted to promote the objects in view, with proper regard to the effect of the change on the Revenues of the Colonies, was not the least important part of our duty. We are happily however not without guides for our direction in its performance.

We have agreed to recommend three pence currency per half ounce as the primary rate, and in suggesting its restriction to distances of three hundred miles, and an additional rate to be superadded for distances beyond that limit. We have been alone actuated by considerations of Revenue as influencing the probable concurrence of the several Legislatures.

Your Excellency will perceive that we have followed the scale adopted in the United States of America, to which reference was made in the Address of the Canadian Legislature, 2d June, 1846, (quoted in an earlier part of this Report,) and which, while it strictly coincides with the rates selected by the Assembly of Nova Scotia, promises to meet the views expressed on the 11th April, 1845, by New Brunswick; much that now complicates the Post Office system would be removed, and the benefit of Postal intercourse more widely diffused, were this single rate made applicable to *all* distances within the four Provinces.

Lest, however, any of the Colonial Legislatures should conceive a higher charge for greater distances to be necessary for the increase of the Postal Revenue, we would suggest that the scale we have quoted should again be followed, and the rate of six pence per half ounce imposed for all distances over three hundred miles.

It only remains that we should state the leading provisions, which we think may be requisite or convenient in preparing a system under which the management of the Post Office Departments may be transferred from the Post Master General to the Provincial Authorities.

These are comprised in the following suggestions, which (subject to our previous explanations) we offer for Your Excellency's consideration :—

1st. That there should be an Office of Central Audit in Canada, of which the Post Master General of that Province shall be the head. The duties of this office shall be to audit the accounts quarterly, of the several Provinces, returns of which shall be annually presented to the different Legislatures ; to collect and transmit to England the balances due from the four Provinces on the Packet Postage; and, in concert with the chief Officer of the Post Office Department in each Province, to enter into contracts, and make all necessary arrangements for the transmission of the Mails along the chief or central route from Canada to Halifax, and between Nova Scotia and Prince Edward Island.

The expenses of this office, with the exception of the salary of the chief Officer, from which the three lower Colonies are to be free, shall be borne by the several Provinces in proportion to their gross collections, exclusive of Packet Postage.

2nd. That the Post Office Departments in the several Provinces shall be separate and distinct, subject to the authority and control of, and bound to account to their respective Governments, in which shall be vested the power to appoint the chief and subordinate Officers, and to extend or contract (subject to the reservations in the preceding clause) the various Postal routes, offices, &c., within their own limits; and that each Province shall defray the cost of its own Post Office management and Postal routes, Stations, Couriers, &c., and shall retain all its collections, including pre-paid letters; the balance due on Packet Postage to be excepted, which shall be transmitted, quarterly, to the Central Office.

3rd. That one shilling sterling per half ounce be accounted for to Great Britain for British Packet letters, to cover all charges of transport by sea and land between Great Britain and the limits of the several Provinces for which the Mails may be carried; and that two pence sterling per half ounce be the Provincial charge on Packet letters for all distances within the Province receiving or mailing such letters, as has been explained in considering Lord Clanricarde's suggestion.

4th. That one uniform rate of three pence currency per half ounce for all distances under three hundred miles, and if thought necessary for the purpose of revenue, six pence currency for all distances