

COPIES of all CORRESPONDENCE between Her Majesty's Government and the Provincial Government of *Canada*, in reference to the CONVEYANCE of MAILS between this Country and *British North America*:—And, of an ADDRESS to Her Majesty, voted by the Parliament of *Canada*, on the same subject.

Colonial Office, }
9 August 1859. }

C. F. FORTESCUE.

—No. 1.—

No. 1.
Secretary of State
to Governor Sir
E. Head, Bart.
5 Nov. 1855.

COPY of a DESPATCH from the Secretary of State to Governor
Sir Edmund Head, Bart.

(No. 53.)

Sir,

Downing-street, 5 November 1855.

29 Oct. 1855.

I TRANSMIT herewith the copy of a letter from the Assistant Secretary to the Postmaster General, forwarding a notice, of which I also enclose a copy, announcing that unpaid letters to Canada will henceforward be sent by the British mail packet, unless otherwise directed, and prepaid letters by the route indicated.

I request that you will cause this announcement to be made known in Canada; and I have at the same time earnestly to commend to the consideration of your Council the observations in the accompanying letter from the General Post Office, on the subject of the loss sustained by that department in consequence of the mode of postal communication with this country, which is now adopted by the Government of Canada.

I have, &c.
(signed) *G. Grey.*

Encl. in No. 1.

Enclosure in No. 1.

Sir,

General Post Office, 29 October 1855.

I AM directed by the Postmaster General to request that you will draw the attention of the Secretary of State for the Colonies to the following statement:—

The earnings of our mail packets between this country and North America, which were even before quite insufficient to defray the expense of the service, have of late been very much reduced.

One of the main causes of this unsatisfactory state of things is, that the correspondence between this country and Canada, which was formerly conveyed by British packets exclusively, except under special directions to the contrary, has of late been despatched both ways by the first packet, whether British or American.

This has arisen from the withdrawal in the alternate weeks of the British packets, which led the Canadian post-office, first to make use of the United States packets, *via* Liverpool, for its outward unpaid correspondence—a change made without any communication with this office; and shortly afterwards to press upon Viscount Canning to adopt the same course.

This alteration has withdrawn so many letters from the British packets, that the annual loss from this cause alone cannot be estimated at less than about 8,000*l.*; a loss, it must be observed, which falls entirely upon the British Government, since the Canadian Government makes no direct contribution to the support of the packets. The Canadian post-office, indeed, instead of sharing the loss, even derives some advantage from the change, since it receives one penny more for its inland rate in the one case than in the other.

The receivers of letters, however, in both countries suffer by the change, since the rate on letters conveyed by the United States packets is one shilling and two pence against eight-pence on those conveyed by British packets; the higher rate (except in the few cases in which it is prepaid) of course falling on the receiver of the letter. It is true, that the letter is thus despatched a week earlier, but this advantage was always open to the sender on his directing accordingly.

The higher rate has naturally excited especial dissatisfaction; when, as has of late been the practice of the Canadian post-office, unpaid letters have been sent by the United States packets, even though specially directed to be sent by British packets.

Under