sources consist of money derived from the postal service, government railways, public works and so forth. Ordinary expenditure provides for interest on the public debt, sinking funds, provincial subsidies, the cost of revenue collection and the current expenses of the country. In sixteen years out of the twenty-four since Confederation there has been a surplus of revenue, and in the remaining eight an excess of expenditure. The total amount of surplus during these years has been $42,906,752, and of deficit $16,854,849, being a net excess of revenue over expenditure of $26,051.903. These figures are based on the assumption that the surplus for the fiscal year just closed (30th June, 1891) has amounted to $6,779.960, as shown by returns at that date, but these figures will call for correction when the final returns are published. The largest revenue ever collected was during the previous year (1890), when a total of $39.879.925 was reached, or an increase of $26,191,997 over that of 1868, the first year of Confederation. For the now current year the estimated revenue is placed at $37,500,000, a sum still sufficient to produce a satisfactory surplus in view of the avowed intention of the Government to confine expenditure within the narrowest limits consistent with the efficiency of the public service. The cause of this apparent decline in the revenue for 1891–2 is to be found in the recent removal of the duty on raw sugar, and does not proceed from any estimated falling off in the ordinary sources. The fact of such an important change being possible in the tariff, without any great readjustment, indicates very clearly that expenditure has been of less rapid growth than revenue, a truth that the figures at hand plainly demonstrate. Estimated by percentage, it can be shown that the expenditure of 1890 was 167 per cent. larger than that of 1868, while the revenue increased 191 per cent.

Having thus briefly considered the method of Dominion accounting and the financial history of the years since Confederation, we proceed to the question of the Public Debt. The gross debt of the Dominion as returned on the 31st August last (1891) amounts to $290.508,093, against assets of $53.988,418, making the net debt $236,519,675, equal to 6⅓ years of revenue. At Confederation the gross debt amounted to $93,046,051 and the net debt to $75,728,641, so that recent figures show an average yearly increase approximating $7,000,000. Of late years, however, there has been some sort of equilibrium maintained between expense and income, taking in capital expenditure as well as expenditure