

French and Norwegians, remained fairly good and did not vary to any serious extent, except in rare cases. The demand for fish never could fail; and while nearly all other articles of food decreased in value, the codfish—the grand staple of the country—showed a marked increase. For all these reasons the stability of business in Britain's oldest colony seemed assured. Panics or commercial crises, of a serious character, were unknown. Business was conducted on conservative lines. The safe "old paths" were strictly followed.

Then, as regards the public finances, their condition seemed no less satisfactory. The revenue was almost entirely derived from duties levied on imports. These duties were partly *ad valorem* and partly specific, but only to a slight extent differential, the tariff being designed for revenue purposes only, not for protection. There were no direct taxes of any kind. All expenses in working the general machinery of government were defrayed out of the revenue. In 1881, the revenue amounted to \$1,003,803, having more than doubled during the previous twenty years. There had been a steady advance in the revenue each year without any increase of taxation. In 1882 the *per capita* taxation was only \$4.94, with a population of 185,368.

The public debt showed that the financial position of the colony was exceptionally good. On the 31st of December, 1881, the consolidated and debenture debt of the colony was \$1,351,008. The amount *per capita*, with a population of 185,000, was thus a little over seven dollars. This was not all. This small public debt was more nominal than real. Of the whole amount, the Savings Bank, a Government institution, held \$593,304, and, by an Act of the Legislature, the whole profits of this Bank were constituted a sinking fund for the liquidation of the public debt. This fund was to be applied, in the first instance, towards the payment of all debentures of the colony held by the Savings Bank. It was calculated that the effect of this Act would be that in twenty-one years from 1879, the year in which it was passed, all the debentures held by the Bank would be paid off, leaving only a debt of \$757,704. Against this amount the colony had at that time to its credit \$741,814, being a portion of the Halifax Fishery Award of one million dollars. Thus nearly the whole of the public debt then existing was pro-