

is in the rural districts. The Reserve Militia amounts by law to 600,000, but a considerable time has elapsed since they were mustered. The Military College at Kingston was opened in June 1876, with 18 cadets, and 7 more were admitted in December of that year. The two Artillery schools, and the "A" and "B" Batteries are in every way efficient and doing thoroughly well. The 16 Field Batteries are in thorough order, armed with 9-pounder rifled guns and complete in good harness and equipments. The Garrison Artillery is also in good order, but have not the same advantages for acquiring proficiency. The Military Stores are in good order and have a fair reserve of arms, ammunition and general equipments, except rifle ammunition. A main reserve depot of military material for Western Canada has been established at Toronto. A small battery at Gaspé Basin has been armed with 24 pound guns for practice, and it was expected that 10 rifled guns would be mounted at Quebec early in the season of 1877, and 5 at St. John, N. B. There is a 7-inch breech-loading gun in each of the Levis forts, and 16 thirty-two pounder canonades distributed between the three forts. The Commanding General advocates the institution of model schools for regimental education on some approved plan, and the reduction of the volunteer force to such a strength as can be armed, clothed, equipped and instructed with the funds granted the

military department, the present appropriation allowing only 8 days' drill to about half the active force in the year, and being thoroughly inadequate to keep up that force to the standard it had attained. At the Gunnery School at Kingston, 24 candidates obtained first-class certificates and 28 second-class, making 272 first-class and 114 second-class since the opening of the school. At Quebec, 5 were first-class and 41 second, making 77 first and 232 second since the school was established. Sixty-seven candidates obtained second-class certificates at the school of military instruction in New Brunswick, and 6 first-class and 49 second-class were obtained in Nova Scotia. Altogether in the Maritime Provinces there were 53 first and 992 second-class certificates issued by the schools. The clothing for the active force was all made in the country from Canadian cloth. There is a larger supply on hand than at the close of 1875. 320,973 rounds of ball, and 345,184 rounds of blank Snider ammunition were issued for practice, and 511,332 sold to different Rifle Associations and individuals. Twelve M. L. R. 9-pounder guns with carriages complete were received and distributed, making now 60 of these guns in use. Two were forwarded to Winnipeg in September by the Dawson route, making a complete battery of those guns now in that district.

Inland Revenue.

EXCISE.

There was in the fiscal year 1875-76 a considerable increase in the revenue from Excise, mainly in the items of spirits and tobacco. The quantity of spirits taken for consumption in this year was greater by 137,000 gallons than in 1874-5, but less by over 410,000 gallons than the average of the four preceding years. The quantity exported was only 83,087 gallons; about one half of that exported in 1873-4, and 1874-5. The increased revenue is attributable more to the increased tariff than to increased consumption. The quantity

per head throughout the Dominion was 1.204 gallons against 1.304 gallons in the preceding year, and 1.507 gallons average per head since Confederation. The revenue from spirits was \$3,099,893 against \$2,977,221 the preceding year. There was a large decrease in the quantity of spirits used in bonded factories, as also in the quantity remaining in bond at the close of the year. Illicit distillation has been discovered to prevail to a considerable extent; 20 stills were seized during the year, and nine more in the first quarter of the year 1876-77. The following table