

336. The expenditure has exceeded the revenue in every one of the last 18 years. The excess over revenue was highest in the year last past, and next highest in 1880 and 1879 respectively. There was an increase in expenditure in 1885 of \$166,495, as compared with 1884, and of \$410,488 as compared with 1883, the revenue in the same period showed an increase of \$69,321 over 1884, and of \$135,678 over 1883.

337. The progress of settlement and of the development of the country have required continual additions to and extensions of the system, and in order to provide postal facilities in almost every part of the Dominion, it has been necessary a number of offices should be established, the expenditure for which must for several years be in excess of the revenue derived from them, and it is probable that an annual addition to the expenditure will for some time be required.

338. Though, however, the expenditure has been, and is likely yet to be for a time, in excess of revenue, the following comparative statement will be interesting as showing, not only the large increase in the amount of work performed, but that such increase has been much larger in proportion than has the increase in the expenditure, that is to say, that a larger amount of work is done now in proportion to expenditure than was done in 1868.

POSTAL Operations compared, 1868 and 1885.

Year.	Number of Offices.	Number of Money Order Offices.	Miles of Post Route.	Miles Travelled.	Amount Paid for Conveyance of Mails.	Number of Letters, &c.	Number of Newspapers, &c.	Total Cost per Head.
					\$ cts.			\$ cts.
1868 .....	3,638	515	27,674	10,622,216	543,109	18,100,000	18,884,800	0 31
1885 .....	7,084	885	50,461	22,173,455	1,443,900	82,200,000	72,536,651	0 66

339. In 1868 the conveyance of mails over 10,662,216 miles cost per mile  $5\frac{1}{10}$  cents, and the cost of transmitting 36,984,800 letters, newspapers, &c., was  $1\frac{4}{10}$  cents apiece; in 1885 the conveyance of mails over 22,173,455 miles cost  $6\frac{1}{2}$  cents per mile, and the cost of transmitting 154,736,651 letters and newspapers was 9 mills each. The total postal expenditure in 1868 was 31 cents per head, and in 1885 66 cents per head, so that while the amount of mail matter carried increased 318 per cent., and the number of miles travelled increased 108 per cent., the total expenditure increased but 110 per cent. While the revenue last year was \$69,321 in excess of that of 1884, it did not show as large an increase as usual, and as it is derived almost entirely from the sale of postage stamps and post cards, it is probable that the amount of correspondence was affected by the general state of business through the country, and as that improves so will the postal revenue. The newspapers sent from the office of publication are increasing largely every year, both in number and bulk, and as they are all carried free, the