

367. The expenditure has exceeded the revenue continuously during the last 19 years, the excess in 1886, viz., \$911,050, being the largest during the whole period. The revenue exceeded that of the previous year by \$69,347, being \$26 more than the increase in 1885 over 1884. When the long distances that have to be covered in the North-West and British Columbia are considered, as well as the comparatively scanty population of the same districts, it will easily be understood that it must be some time yet before the revenue can either balance or exceed the expenditure. The successful development of the country has required continual additions to and extensions of the postal system, and in order to provide postal facilities *pari passu* with the progress of settlement, it has been necessary to establish a number of offices, the expenditure for which must for a number of years be in excess of the revenue derived therefrom. The completion of the Canadian Pacific Railway alone necessitated a large augmentation in the postal route, and there is now a daily mail service over the whole line.

Excess of expenditure and the reasons.

368. The following comparative statement, however, shows not only the extended operations, but also the increased efficiency of the service since 1868, inasmuch as a much larger quantity of mail matter is carried at the same expense:—

Postal operations—1867-1886.

POSTAL OPERATIONS IN CANADA COMPARED, 1868 AND 1886.

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.
1868	3,638	515	27,674	10,622,216	543,109	18,100,000	18,884,800	0 31
1886	7,295	910	52,866	23,809,750	1,594,026	86,109,000	76,844,064	0 70