

## CHAPTER III.

## FINANCE.

The fiscal year.

166. The fiscal year of the old Province of Canada used to be identical with the calendar year, and terminate on the 31st December ; in 1864, however, a change was made, and it was decided to commence the fiscal year on the 1st July and end it on the 30th June. At Confederation the same plan was adopted for the Dominion, and has since been maintained. As therefore, all financial and commercial returns, and as a general rule departmental reports, are made up to the 30th June in each year, the fiscal year beginning on the 1st July and ending on the 30th June, is the one spoken of and referred to throughout this work, except where specially mentioned.

Conversion of foreign currency.

167. In all cases where figures relating to foreign countries have been used, their values have been first changed into pounds sterling, and then converted into currency at the rate of \$4.86'66. For the sake of convenience, cents have been omitted from most of the tables, and only used with reference to amounts per head and similar calculations.

Consolidated Fund.

168. The receipts from the sources of the ordinary revenue of the country are paid into what is called the Consolidated Fund, and payments thereout are made to cover the ordinary expenses. These receipts and payments therefore constitute what may be called the regular income and expenditure of the country, and the figures relating thereto are among the principal indicators of its financial and commercial condition.

Sources of revenue.

169. The ordinary revenue is derived from a variety of sources, which may, however, be divided into two classes viz., "Taxation" and "Other sources." The amounts raised by taxation consist solely of Customs and Excise duties,