

## CHAPTER III.

## FINANCE.

The fiscal year.

139. The fiscal year of the old Province of Canada used to be identical with the calendar year, and terminated 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 official financial and commercial returns, and, as a general rule, all departmental reports, are made up to the 30th of 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 moneys.

140. 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.

The Consolidated Fund.

141. The receipts from the sources of the ordinary revenue of the country are paid into what is called the Consolidated Fund, and payments therefrom are made to cover the ordinary expenses. These receipts and payments, therefore, constitute what may be considered as the regular income and expenditure of the country; receipts and expenditure from loans and all other extraordinary transactions being excluded.

Sources of Revenue.

142. 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, and those raised from other sources consist of money derived from the postal service, railways, public works, &c. The ordinary expenditure provides for the charges for debt and provincial subsidies, collection of revenue, and the current expenses of the country.