

Reasons
for excess
of expend-
iture.

319. The expenditure has exceeded the revenue continuously during the last twenty-three years, but the excess of expenditure appears to be on the decrease, having been 44,736 less than in 1889, and 65,177 less than in 1888. The revenue which has been steadily increasing since 1878 showed a further increase of \$239,393. There was therefore an increase of 8 per cent. in the revenue and of only 5 per cent. in the expenditure. It is estimated that the annual loss through the free transmission of newspapers cannot be less than \$100,000. When the long distances that have to be covered in this country are considered, as well as the comparatively scanty population of many parts of it, particularly in the North-West Territories and British Columbia, 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 and will for some years require continual additions to and extensions of the postal system, and in order to provide postal facilities *pari passu* with the progress of settlement, it is from time to time necessary to establish offices, the expenditure for which must for a number of years be in excess of the revenue derived therefrom. The Postal Service, however, is managed on sound economical principles, and the importance of carrying out the principle of providing every part of the country with postal communication is so well recognized, that exception is seldom if ever taken to these deficits, it being well understood that as the population increases and the country progresses it cannot be very long before this service is at least self-sustaining, the revenue from the older and wealthier Provinces covering the excess of expenditure in newer districts.

Number of
stamps
issued.

320. The number of stamps issued to Postmasters during the year was 136,979,550, as compared with 137,689,300 in 1889, being a decrease of 709,750, and almost the whole postal revenue is derived from this source, the amount received from the sale of stamps in 1890 having been \$3,045,425.