

3,206,188 9s. 11d. So that, as regards the appropriations made by the House for the services of the year, there remains a net saving or unexercised power of expenditure of £175,946 17s. 11d. Table D.  
and  
Table H.

The net savings under the head of Public Departments amount to £8,960. The Postal and Telegraphic show also a reduction on the estimate of £16,368; Customs, £8,073; Militia and Volunteers, £6,680; and Armed Constabulary, £6,022. The expenditure of the Crown Lands Department is less than the estimate by £51,037; and the saving on Miscellaneous is £62,329. There has been a small excess of expenditure in the Law and Justice and in the Native Departments.

The increase on Education is shown at £29,261. It will be seen that the vote taken last session for Education proved inadequate to the requirements; but some of the circumstances are exceptional. Through an inadvertence the capitation grant was fixed by the Appropriation Act at £3 10s., the Education Act fixing it at £3 15s. Then the estimate of the average daily attendance was 40,000, while the actual exceeded 44,000. The reserves, which were estimated at £20,000, yielded only £11,295 3s. 4d. Some of the Boards required temporary assistance to enable them to discharge old liabilities and meet current expenditure. From these, and minor causes, the excess of expenditure charged to "Unauthorized" has reached the amount I have stated. It must be understood that, for the first half of the year, money was paid out upon the requisition of the Boards without that check which returns of the average daily attendance would have afforded. The Act came into force on the 1st of January, and since then all the data on which the payments are required to be made, have had to be collected. It might be said that before the month of January educational finance was in a state of chaos. Since then much has been done towards the organization of the present system. A position of certitude has now been attained in the payments; and the money voted by Parliament will be paid to the Boards on previously ascertained returns of an accurate character. Honorable members will find detailed information on this subject in the Report on Education which has been laid on the table.

The expenditure just referred to does not, however, include the total disbursements of the year. There is, first, the Land Revenue paid to local bodies under the Financial Arrangements Act; an amount expended on account of railway stores and workshops, £62,199; repayment of an advance obtained on the Lyttelton Harbour Loan, £100,000; advances made to Land Fund in 1876-77 repaid, £47,500; surplus land revenue of the periods ending 30th June and 31st December, 1877 paid to counties, £465,093; as well as several smaller payments set forth in the table of expenditure. These several disbursements make up a total of £725,307 14s. 3d.; and, added to the expenditure of £3,030,241 12s. already referred to, make up a sum of £3,755,549 6s. 3d. If we add to this sum the gold duty, license fees, &c., paid over to local bodies, amounting to £213,691 10s. 10d., we have a total disbursement from the Consolidated Fund in the year of £3,969,240 17s. 1d.

The sum of £62,199 13s. 7d., charged as expenditure on account of railway stores and workshops, represents the balance of disbursements made during the year, after crediting the account with the stores issued to the several lines. It has been found that the practice of passing all stores through this account produces a large amount of clerical labour without any corresponding advantage, and it is accordingly proposed to close the account, and in future to provide for this expenditure in the votes for the several lines.

The repayment of the advance of £100,000 on the bonds of the Lyttelton Harbour Board was made out of the Consolidated Fund, no special provision having been made by the Legislature. This sum was neither in its character nor by law a colonial liability; and the Government, no other means of providing for it having been made, and the course seeming to be equitable, applied an equivalent amount of the surplus land revenue of Canterbury to meet the liability falling due at the Bank in London in the month of January. The amount was accordingly paid out of the general balance of the Consolidated Fund, in which the Surplus Land Fund Account is now included. I shall, however, ask the