

Government found that it was necessary to exceed the vote for carrying on the public schools by nearly £6,000, we, thinking it right not to exceed the large total voted—£379,093,—determined, as the only means of accomplishing this object, to proportionately diminish the amount to be spent upon buildings. This reduction in expenditure on buildings was made with much regret; but of two desirable objects we had to forego one. In the circumstances, I hope the Committee will approve of the action of the Government. The item is only a small one, but we were acting on the necessary rule that, at whatever temporary sacrifice, we must keep within our income if we wish to keep a sound finance.

REVENUE FOR THE YEAR 1888-89 (ORDINARY REVENUE).

Ordinary Revenue: Estimated, £4,162,400; actual, £4,055,034. Customs.

Railways: Net revenue estimated, £358,162; actual, £360,016.

Stamps.

Registration and other fees.

Profit earned by Public Trust Office.

The total revenue estimated to be received during the year 1888-89 was £4,162,400; the actual amount received was £4,055,034, so that the revenue as estimated in the Financial Statement exceeded the actual receipts by £107,366. The Customs duties yielded less than the estimate by £55,392. This will probably not surprise members; it is certainly, under the circumstances, not an unreasonable margin of error, taking into account the great difficulty in forming an accurate estimate when something like a complete revision of the tariff takes place during the year for which the estimate is made. The Railways also yielded less than the estimate by £38,865, but this was counterbalanced by a reduction in the expenditure of a still greater amount, so that the net revenue received was £360,016, instead of £358,162 as estimated. Stamps appear to have yielded less than estimated by £14,329. This arose through an error, which should not have occurred, of twice including in the estimate certain postal receipts, the result of a misunderstanding between the two departments which have to deal with the question of stamps estimates—namely, the Stamp and Postal Departments. Registration and other fees fell short of the estimate by £8,273; but the estimate included £11,500 for rates to be received under the District Railways Purchasing Act, which, however, through the failure of the Bill introduced last year, did not come in.

The only item of revenue in the receipts of the year which can be considered exceptional is a sum of £18,000, profit earned by the Public Trust Office. This by law is made revenue, but for some reason the amount has been allowed to accumulate in the office, and has not been paid into the Public Account year by year as it should have been. Of this amount, £2,567 was earned last year, so the latter sum was strictly revenue of the year, and the windfall was only £15,433. We shall always have such exceptional items on both sides of the account: for instance, in this same year we had to pay a sum nearly as large—namely, £14,911 paid on account of abolition of offices in carrying out retrenchment.

LAND FUND EXPENDITURE AND REVENUE.

Land Fund Expenditure: Estimated, £127,423; actual, £119,496.

Land Sales: Estimated, £119,000; actual, £108,007.

Perpetual-lease tenure preferred to deferred-payment.

The estimated expenditure of the Land Fund was £127,423. The actual expenditure proved to be £119,496. The expenditure was therefore less than the estimate by £7,927. Of the expenditure, £23,336 was paid to local bodies as contributions in respect of receipts from deferred-payment and perpetual-lease land, and £15,497 for rates on Crown lands.

The estimated revenue of the Land Fund was £119,000. The actual receipts were £108,007, being £10,993 less than estimated. The amount received for land sold for cash was £11,008 more than estimated, while the amount received for deferred-payment land was £22,001 under the estimate. The deficiency of revenue, however, arose not from the fact of less land being taken up than was expected, for this was not the case, but partly because the perpetual-lease tenure was preferred to the deferred-payment, and chiefly because payment of instalments due was not enforced, the Government having refrained from doing so in fulfilment of their promise to Parliament consequent upon the rejection by the Legislative Council of the Fair Rent Bill. There was outstanding on the 31st March last a sum of £46,526 due on deferred-payment instalments and perpetual-lease and other rents—£31,785 on the former, and £14,741 on the latter. I may say that Government have had all these holdings re-valued, and steps have now been taken to recover the amounts due upon