

This increase, however, though indicating general progress, does not imply a corresponding or equivalent gain to the consolidated revenue. It will be interesting to the Committee to know what benefit the exchequer has derived from the colonialization of the Land Fund in the year. The land revenue for the half-year ending June was £650,172; and if we deduct the charges that would have been met out of this source had the old system continued, but which have been paid out of the Consolidated Fund, we shall have a close estimate of the gain. Adding together, then, the interest on provincial debts and on railways, the cost of lands and surveys, subsidies to local bodies, balances due to the Consolidated Fund in respect of advances in aid, and the 20 per cent. payable to counties, we have a sum of £558,431, leaving a positive gain from the colonialization of the land revenue of £91,740.

From the tabular statement accompanying the summary of the receipts of ^{Table E.} the year, the Committee will see the relation between the estimated and actual revenue under each head. The Customs revenue reached £1,272,961, showing an increase on the estimate of £72,961. The whole of the increase was received in the three first quarters of the year. Stamps far exceeded all anticipation, yielding £151,068 16s. 9d., or in excess of the estimate £27,068. This extraordinary result is chiefly due to the unusual number and amount of the legacy duties paid during the year, though the largest amount of legacy duty yet accruing from a single estate, was not paid within the year owing to a technical difficulty causing delay. Postal revenue exceeds the estimate by £6,358 8s. 10d., and Telegraphic by £2,361; Land Transfer, above the estimate, £7,078 3s. 9d.; while Miscellaneous shows a surplus of £15,074 4s.

The Railways have not reached the estimate, but the deficiency, £53,991, arises from certain lines not having been opened for traffic during the year as anticipated. The estimated income was £600,450, and the actual £546,458. It will be seen, however, that the expenditure, by a proportionate amount, is also less than that estimated. The income from Railways, including assets £15,000, was £561,458; and the expenditure, including liabilities £35,000, was £416,307. The profit thus shown for the year on Railways is £145,151, against £84,182 last year.

The Land revenue has far exceeded the different estimates formed during last session, and is the largest amount yet collected in any one year.

Comparing the revenue received last year with that of the previous year, the ^{Table F.} result is equally favourable, the net increase in favour of the later period in Ordinary Revenue alone being £423,919, and in Territorial £580,707,—or a total increase of £1,004,626. But, in order that the comparison may be complete, as an indication of progress, we must include the increase in the revenues of Local Bodies, which amounted to £75,784. The net increase on all revenues collected by the Government thus amounted to £1,080,411 over the previous year.

Having stated the expenditure and income of the year, I have now to place the Committee in possession of the final result. The receipts for the year, as already stated, amounted to £4,445,560 5s. 6d. The expenditure was £3,969,240 17s. 1d.; the excess of receipts over expenditure being £476,319 8s. 5d. The actual balance in the Consolidated Fund on the 30th June was ^{Table C.} £629,705 6s. 5d., but this was reducible by a sum of £5,733 9s., brought from Loan in aid of Provincial Liabilities; by the balance of the Deposit Account, ^{Table L.} £93,069 17s. 2d.; and by sums held at credit of several Counties, ^{Table K.} £54,582 11s. 10d. Deducting these sums from the total just referred to, there remains £476,319 8s. 5d., agreeing with the excess of receipts over expenditure. To this we add the assets realizable, £44,453 3s. 9d., making £520,772 12s. 2d. The liabilities to be provided for out of this sum consist of 20 per cent. Land Fund, and other moneys payable to Counties, or available for special services, £279,134 17s. 2d., and the ordinary departmental services, £121,169 1s. 10d. These sums amount to £400,303 19s. and, deducting them from the balance of £520,772 12s. 2d., there remains £120,468 13s. 2d., the surplus of the year 1877-78. Considering that the effect of the financial changes at the close of last session was to produce a large estimated deficiency, this surplus is as unexpected as it is gratifying.

The question then arises, how should we dispose of it? The Government believe that if the railway system is to be extended and carried on without