

have made for supplementing it out of sources other than loans. The account will be enlarged by certain amounts I have treated of in my review of the financial operations of the past year. I refer to the Sinking Fund and repayments accrued against the securities held in trust and authorized for conversion amounting to £67,694, and the sum of £100,000, part of the surplus of the past year. The amount of these sums is £167,694, and this we propose to place to the credit of the Public Works Account, adding it to the amount shown to be available on the 30th June, which will then give a grand total of £2,224,634 7s. 10d., for appropriation for Public Works, including re-votes for outstanding liabilities.

#### PUBLIC TRUSTS.

The transactions of the Post Office Savings Bank during the year ending the 31st December, 1877, show a steady increase of deposits. The total sum to the credit of depositors was £767,375, against £723,910 for 1876—an increase of £43,465. The excess of deposits over withdrawals for the year was £14,271, against an excess of withdrawals over deposits for 1876 of £32,146. The interest credited depositors was £29,193, against £28,762 for the previous year.

The Public Trust Office has now under administration 22 Estates under will or deed, 894 Intestate estates, 85 Estates of Lunatics, and 18 Trust Fund accounts. It has funds invested to the amount of £65,176, and had cash in the bank on the 1st July last £12,287 10s. 6d. That this office is becoming a very great convenience to the public is shown by the fact that solicitors are advising their clients to transfer to its management trusts that are of long duration, or in which complicated arrangements are involved. The office is not only self-supporting, but a sum is accumulating from the profits of the department which will form a Reserve Fund in case losses should occur.

In the Government Insurance Department the past year's business has been very satisfactory. The number of policies issued being in the proportion of 10 to 7 over that of the previous year, and much above the average of the last five years. They represent £680,000. There are nearly 9,000 policies in force; yet the death claims were only 37 in number, against 39 the previous year, both being far less than the expectation, according to the best tables of mortality. The sum of £67,799 has been invested during the past year.

#### PROGRESS OF THE COLONY.

The tables accompanying and illustrating this Statement have been revised and rearranged in harmony with the institutions of the colony. Table U. The comparative returns of the three principal Australasian Colonies have been produced to show, not the natural productions only, but the whole import and export trade of each, thus affording a more reliable index of their prosperity. The comparisons shown convey a different lesson from those conveyed by the tables of previous Statements. The most gratifying feature to the people of this colony is the remarkable increase of exports for the Table T. year ending December, 1877, which stand at £6,327,472, against £5,673,465 in the previous year—an increase of £654,007. The imports, unnaturally inflated in 1874 to upwards of £8,000,000, have fallen to £6,973,418, indicating probably a more healthy condition. The quantity of wool exported in the Table V. calendar year 1877 exceeded that of the preceding year by about four and a-half million pounds weight, the value showing an increase of £263,122. The value Table W. of gold exported in the past financial year was £1,475,669, against £1,407,247 in the previous year, the increase being £68,422. The export of grain slightly declined in the year ending December, 1877, the return being £290,415, against e X. £314,142 in 1876.

#### REFORM OF THE TARIFF.

I have now to state the proposals we intend to make respecting the tariff.

Sir, every observer of the effect of the system of *ad valorem* duties, which was applied to a multitude of articles in 1873, has been led to condemn it. It is a remarkable fact that the revenue derived from these duties has shown no increase, the returns of last year standing at the amount derived in the year when the