

1878.

NEW ZEALAND.

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# FINANCIAL STATEMENT

*(In Committee of Ways and Means, Tuesday, 6th August, 1878).*

BY THE COLONIAL TREASURER, THE HONORABLE J. BALLANCE.

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MR. O'RORKE,—

In submitting the Annual Statement of the finances of the colony, it is necessary to trespass somewhat on the forbearance of the Committee, but I trust its indulgence will be readily extended when I state that I shall labour to be brief without becoming obscure, and that the proposals I have to submit on this occasion exceed, in the importance of the subject to be brought under consideration, even many of the important Statements we have had the pleasure of listening to in recent years.

I have brought down the Statement at as early a period of the session as the course of public business would permit, in order to place the Committee in possession at the earliest possible moment of the transactions of the year which is past, and of the proposals we have to make with respect to the future. This year has been looked forward to with more than ordinary interest by the people of the colony as one in which large and extensive reforms are to be inaugurated, especially in questions of finance and taxation, when inequalities are to be removed and grievances redressed. Before proceeding, however, to indicate at length this portion of our policy, I shall follow the ordinary custom of reviewing the expenditure and revenue of the past year, and placing before the Committee the proposals we have to make for the year on which we have just entered.

I may here explain that I have deviated from the usual plan of incorporating some of the tables in the Statement, and shall thus be able to avoid a number of details in figures which are hardly necessary to a comprehensive view of the position. These tables will be found in the Appendix.

Before entering upon the details of the Budget, I have a few words to say as to

## THE PUBLIC ACCOUNTS.

The financial arrangements of last session have enabled the Public Accounts to be very greatly simplified. The necessity under former arrangements of keeping separate accounts of the receipts and charges on the Land Fund of each provincial district, the allocation to each district of the Interest and Sinking Fund on its share of the Public Debt, and the maintenance of the charge of 2 per cent. upon the railway expenditure in each district, involved a large amount of careful labour, and added much to the complexity of the accounts. This has, however, disappeared with the legislation which gave rise to it; for the Committee must bear in mind that the form in which our accounts present themselves is entirely governed by the laws which regulate our finance, an intricate system of finance necessarily producing an intricate account.

Table C.

A Table which I shall lay before you, presents, in a condensed form, the total receipts and disbursements of the year. A large number of transfers, with which the accounts themselves are necessarily burdened, have been omitted in this table. The transfers of the Special and Trust Fund Accounts, necessitated by the Act to which I have just referred are, however, shown, as supplying useful information.

It will be obvious that the change of system under that Act, operating as it did in the middle of the financial year, has prevented the accounts being stated with that simplicity which they will assume at the end of the present year.

The Committee will see, from the tables, that I have adopted a classification which is intended to distinguish the different kinds of revenue. I have divided the Ordinary Revenue into two classes, viz., Revenue raised by taxation, and Revenue received for Departmental Services. The former embraces Customs and Stamps; the latter comprises Railways, Postal, Telegraphic, Judicial, Land Transfer, Registration and other fees, Marine, and Miscellaneous. The Land Transfer now includes Deeds Registry, and all fees come under one heading.

By this system, taxation proper will be distinguished from income from services established for the direct benefit of the public; while Land, which is a diminishing quantity and of the nature of capital, stands by and will compare with itself.

It must be noted that the returns of Revenue and Expenditure, which I have to place before the Committee, represent the *net* totals. It was the practice of former Treasurers to deduct from the expenditure the sums recovered or received for credit of the several votes, and thus to show the net expenditure. But the revenue of the colony has always been stated in the gross—refunds made in respect of that revenue being shown on the opposite side of the account as disbursements. I have, however, deducted from the several items of revenue the refunds made in respect thereof, and shall thus state the net revenue as well as the net expenditure.

Sir, it has been frequently asserted that, from the system of dealing with the liabilities and assets, the accounts of the year never represent the income and expenditure under the several heads. In Victoria, for this reason, the Treasurer has abolished a system corresponding to our own, and adopted the practice of distributing the liabilities among the several votes to which they are appropriate, while the assets are in the same way made part of the estimated revenue under the several heads. Assets and liabilities are thus got rid of, and the accounts, as they are stated in detail, represent the actual transactions of the financial year. I have, however, adhered to the system which has prevailed for many years in this colony, as the question of altering that system is one which requires further consideration, and as I desire to preserve as far as possible the means of comparison.

The detailed statement of the Public Accounts of the financial year 1876-77 will be laid upon the Table in the course of a few days; but these accounts, like those which have preceded them, will probably be regarded as of little interest. To us who are always looking forward, the transactions of two years ago belong almost to a remote past.

I trust I shall be able, in a few weeks, to lay before the House detailed accounts of the transactions of the year just closed. It will be the first time that the accounts in detail have been presented to Parliament in the session following the close of the financial year, and honourable members will thereby be enabled to obtain an intimate knowledge of the transactions of the year, as epitomised in the tables which I shall lay before the Committee as an Appendix to this Statement.

#### EXPENDITURE OF THE YEAR 1877-78.

I shall now bring to the notice of the Committee the estimated expenditure and the actual expenditure for the past financial year. A tabulated statement, which I shall lay before you, shows the comparisons between the different heads of expenditure.

Table D

In referring to the ordinary expenditure and income, I propose to exclude the Provincial Liabilities, which I shall deal with specially further on. The total ordinary expenditure of the year was £3,030,241 12s., against an estimate of

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

House to sanction the payment as a specific charge on the Surplus Land Fund Account, it being properly a charge on the land revenue of the provincial district.

While referring to this subject, I will take the opportunity of explaining another matter which will be of special interest to the districts concerned. I refer to the retention of certain sums out of the surplus Land Fund of the Provincial Districts of Hawke's Bay and Canterbury. An estimate has been formed in the Surveyor-General's Department that the cost of bringing up the arrears of survey, outstanding on the 1st January, in the Provincial Districts of Hawke's Bay and Canterbury will be about £5,700 and £127,000 respectively. These arrears had not been provided for among the Provincial Liabilities, and, as the surplus Land Fund was the actual proceeds of the land to be surveyed, it appeared to the Government that that fund was the proper source from whence to defray the charge. The sum of £4,512 1s. 10d., (being all that was available) in the case of Hawke's Bay, and of £127,114 15s. 3d. in the case of Canterbury, were accordingly retained for the purpose of meeting the charges referred to; and we propose that a sum shall be appropriated each year, according to the estimate required for arrears of survey within the year in the provincial district, until either the money be exhausted or the surveys completed. The estimate of the work to be done this year will require £34,512 1s. 10d., and this has been placed on the Estimates for appropriation. We propose that the amount in excess of this sum be placed in the Bank as a fixed deposit, the accruing interest to be handed over to the counties interested, together with any balance of the principal not required for the work.

Table J.

## REVENUE OF THE YEAR 1877-78.

I shall now, Sir, proceed to place before the Committee the estimated and actual revenue of the past financial year.

Table C.

The surplus brought forward from the previous year was estimated by the then Treasurer at £148,220 8s. 5d. Of the sum so estimated, only £123,110 7s. 9d. has proved to be realizable, being £25,110 0s. 8d. less than the estimate.

Table E.

The revenue of the current year was estimated by the late Government at £3,153,685—consisting of Ordinary Revenue, £2,263,160; and Territorial Revenue, £890,525. The net revenue actually collected amounted to £3,915,315 15s., consisting of Ordinary Revenue, £2,328,752 15s. 7d., and Territorial, £1,586,562 19s. 5d., showing an excess on the estimate of £761,630 15s.

In the figures which I have just quoted I have referred only to the Revenue proper, or income of the colony for the year 1877-78, forming part of the Consolidated Fund; but that fund has been augmented by the absorption of the balances of several accounts amounting to £190,922 0s. 5d., transferred thereto on the 1st July, 1877. The Public Revenues Act of last Session required that on the 1st January certain accounts should merge in the Consolidated Fund; and the several balances, including the balance of the Land Fund subsequently paid over to the Counties, were accordingly transferred on that date. In the account of Receipts and Expenditure of the Consolidated Fund, which I shall lay before the Committee, the balances quoted as transferred to that fund are the balances of the several accounts as they stood on the 1st July, 1877, and not those which were actually transferred on the 1st January, 1878. It will be evident to honorable members that, so far as regards the position of the accounts on the 30th June last, the result in either case is identical. The plan adopted has, however, the great advantage of being the most perspicuous, since it has enabled the receipts and disbursements of the Land Fund and of the other accounts transferred, to be shown in one sum and in one place—the Consolidated Fund—instead of in two sums and in several places, as must have happened had the accounts expressed the transactions as they actually occurred.

If we add this amount, £190,922 0s. 5d., and the balance with which we commenced the year, £123,110 7s. 9d., to the Ordinary and Territorial, we have a total of £4,229,348 3s. 2d. I shall also include revenues collected for local bodies, amounting to £216,212 2s. 4d., thus producing a grand total of receipts for the year of £4,445,560 5s. 6d.

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 <sup>Table E.</sup> 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 <sup>Table F.</sup> 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 <sup>Table C.</sup> £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, <sup>Table L.</sup> £93,069 17s. 2d.; and by sums held at credit of several Counties, <sup>Table K.</sup> £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

interruption until it connects every part of each Island, public loans must be largely aided from some other source. I refer here only to railways which should be undertaken by the colony. For several years a moiety of the Stamp Duties was set aside for the purpose, but, as I think rightly, the policy was discontinued. A surplus seems to be exactly one of the services from which such aid ought to flow, and we propose to place £100,000 of the surplus of the past year to the credit of the Public Works Account, leaving a balance of £20,468 13s. 2d. to be brought forward to the credit of Ordinary Account of the present year. If the Committee approve of this mode of applying a surplus, any extraordinary increase on the estimate of Land Revenue will in the future be applied to supplement the fund available for the prosecution of public works.

#### PROVINCIAL LIABILITIES.

Table C.

The Committee will remember that, under the provisions of the Public Revenues Act of last session, the Provincial Liabilities Account forms part of the Consolidated Fund, which was supplemented, to meet this service, by a loan of £300,000 raised under "The Loan Act, 1877," and for this reason I have thought it proper in my remarks on the subject to exclude the transactions in this account from those of the general receipts and expenditure. The amount appropriated for Provincial Liabilities last session was £327,846 18s. 9d., and the amount which was actually paid within the financial year was £333,187 18s. 10d., showing an excess on appropriation of £5,341 0s. 1d.

To meet the expenditure, there were the several sums at the credit of the Provincial Liabilities Account, the particulars of which are shown in the tables, and amounting to £118,921 7s. 10d.

To supplement this sum, bills to the amount of £220,000 have been drawn on the Crown Agents, against the sum of £300,000 authorized by the Loan Act. The Provincial Liabilities remaining unpaid amount, so far as they have been ascertained, to £223,158 19s. 2d., and we have included them in the ordinary Estimates of the year, getting rid of the peculiar character of the expenditure under this head. They will be found to include, amongst other items, a sum of £50,000 for paying off the ultimate balance of the Provincial overdrafts at the bank, a sum of £85,000 for repayment of the money borrowed on the Wellington reclaimed land, and £23,800 for redemption of Otago Dock Bonds—as to which I may explain that these bonds are the outstanding balance of two parcels of debentures, one of £50,000, and one of £10,000, issued by the Otago Dock Board. The whole of the bonds fall due on the 1st November next, and as they are not a convertible security, being in the form of mortgage bonds, it is proposed to redeem them and cancel the debt. The Government propose to ask the consent of the Legislature to the sale of the Wellington reclaimed land to the Corporation for £89,000, and this amount added to the sum in hand, £5,733, the balance of the £300,000 yet to be brought to account—namely, £80,000—a sum of £15,970 receivable from the Wellington Trust and Loan Company, and other sums which will presently be available, amounting to £5,000, will give £195,703, which may be considered specially available to meet the estimated liabilities of £223,158 19s. 2d., the difference falling on the ordinary resources of the Consolidated Fund.

#### LOANS.

Immediately after the close of last Session the Government took measures for the raising of the loan then authorized, sending Home the necessary powers to the Agents appointed under the Act, and leaving them to use their discretion as to the opportune time for placing the Loan on the market, the currency of the debentures, and the rate of interest. The Government, however, intimated that, unless the Agents saw good reason to the contrary, the rate should be  $4\frac{1}{2}$  per cent. The Agents appointed were Sir Julius Vogel, the Hon. Mr. Larnach, Sir P. Julyan, and Captain Ommaney. About the time the Agents received their authority to act, the crisis in English politics on the Eastern Question occurred, and the excitement which prevailed in all quarters, especially in the monetary world, prevented the possibility of then placing the loan on the market with a fair chance of success. The Agents, as we thought, with commendable prudence, awaited a lull in the storm before venturing publicly to announce the Loan. In

this decision they were supported by the advice of the most competent financial authorities. The opportunity occurred upon the arrangements to hold a Congress being concluded, when subscriptions to the Loan were opened. Upon the intimation of Mr. Larnach that the Government were desirous to try a new source of issue for the loan, Sir P. Julyan made proposals to the Bank of England, who are bankers to the Crown Agents' Department; and, an agreement was made that the Bank should undertake the issue for a commission of  $\frac{1}{2}$  per cent.—terms which must be considered favourable. As the Agents desired to be assured in advance of at least a major portion of the loan being subscribed, a fixed price at par was adopted, with a 5 per cent. rate of interest. The result was an entire success, the total amount subscribed being about  $8\frac{3}{4}$  millions. I think the Committee will concur in the expression of opinion that the Agents deserve the thanks of the colony for the judgment and zeal they displayed under unusually adverse circumstances.

The amount raised was three and a half millions, one million under the Loan Act of 1876, to meet the advance on short-dated debentures falling due at the end of this and the beginning of next year; and two and a half millions under the Loan Act of last Session. The net amount of the loan available for public works is £2,200,000, £300,000 being apportioned to Provincial Liabilities. The Guaranteed Debentures released we propose shall, as in the past, remain available as a security on which to obtain temporary advances in London.

#### THE PUBLIC WORKS ACCOUNT.

I have now to state the position of the Public Works Account. The amount appropriated for Public Works and Immigration last session was £2,293,740 9s. 9d., and the expenditure £1,167,583 5s. 6d., showing a balance unexpended of £1,126,157 4s. 3d. The amount unexpended out of that appropriated may appear large, but the circumstances causing the delay in raising the loan would probably have justified the Government in restricting the expenditure to a greater extent than they have done. Table M.

The funds brought to the credit of the Account consist of the following items:—Balance from previous year, £652,989 13s. 1d.; temporary advance on security of Guaranteed Debentures, £275,000; transfer from Loan of 1876, £48,051 3s. 11d.; sales of allotments of land, £1,641 7s.; the account closing with a nominal overdraft of £200,051 5s. 6d., which is in reality covered by proceeds of the Loan not yet brought to account. Table C.

The several items just quoted make up a total of £1,177,733 9s. 6d., which has been expended on public works and immigration during the year.

It will be interesting to know the position of the Public Works Account, dating from its commencement in the year 1870. The total amount of the Loans raised for Immigration and Public Works, including the Loan recently announced, is £13,700,000. This amount has been supplemented by a moiety of stamp duties, £264,657 16s. 4d., and contributions and transfers amounting to £75,963 1s. 3d., showing a total of £14,040,620 17s. 7d. The expenditure up to the end of the financial year was £12,038,472 3s. 1d., reducible by a sum of £54,791 13s. 4d. repayable to the account, and leaving a balance of £2,056,940 7s. 10d. available for appropriation. Table O.

#### DEBT OF THE COLONY.

The gross debt of the colony on the 30th June, including the loan just raised, but exclusive of the guaranteed debentures, was £22,491,111. The Sinking Fund accrued amounted to £1,584,992 6s. 1d., and if we deduct this from the gross debt, we have a net indebtedness of £20,906,118 13s. 11d., the annual charge on the 30th June, for interest and sinking fund, being £1,195,318 11s. 10d. Table A.

#### TREASURY BILLS.

The Committee would, no doubt, like to be informed of the position of the securities existing in the form of Treasury bills. The total issue outstanding of these securities amounts to £832,000. Of this, the Commissioners of the different

trust funds in the colony hold £330,000. I shall explain presently the action taken to convert the bills thus held into Inscribed Stock. The Bank of New Zealand is the holder of the remainder under various conditions, which I shall state to the Committee. Bills amounting to £232,000 are held by the Bank in London as security for an advance of like amount, bearing interest at 5 per cent., and repayable in February, 1879. Bills amounting to £170,000 are held by the Bank in Wellington as security for advances of £110,000 at 6 per cent., and £60,000 at 5 per cent.; but, under an arrangement whereby £170,000, part of the balance in the Public Account, is held as a deposit not bearing interest, no interest is paid to the Bank on the sums advanced, both of which are repayable in February, 1879. And bills representing £100,000 were purchased by the Bank, and fall due in November of the present year. The Bank of New Zealand holds altogether Treasury bills amounting to £502,000. The Government think the consolidation of these securities is desirable, and have taken steps accordingly.

#### CONVERSION OF STOCK.

The Government have thought it wise to bring into force the provisions of the Consolidated Stock Act, and have delegated full authority to the Agents appointed for the purpose, to convert, on terms to be arranged by them, any part or all of the loans of the colony, with the acquiescence, of course, of the bondholders. As Mr. Larnach was visiting the mother country, and knew the mind of the Ministry on the subject, he was appointed one of the Agents for the purpose. It appeared to the Government that not only was it expedient to give the loans of the colony the character of uniformity, but that it would be also desirable to release the accrued Sinking Fund. This fund has lost its value in the eyes of the capitalist as an instrument of security, and might be most usefully employed in the advancement of our public works. The new Stock will also be eligible for inscription with the Bank of England under the provisions of the Act.

The Government have not yet been advised as to the nature or extent of the operations which the Agents have undertaken, but as soon as information is received on the subject it will be laid before the House. An estimate, however, has been formed of the cost of converting two and a-half millions this year, which, on the basis agreed upon between the Agent-General and the Bank of England, we have stated at £14,000. Except with respect to certain securities in the Trust Funds, to be explained presently, we do not estimate as available for the accounts of the year any portion of the accrued Sinking Fund in the hands of the Commissioners. The operation is too uncertain to entitle us to estimate the amount which may be released.

But there is a transaction in process, of which I can speak with more precision. Authority has been sent to the Agents to effect the conversion of the colonial securities held in trust in the colony. The Postmaster-General holds convertible securities to the amount of £641,300; the Government Insurance Commissioner, £239,400; and the Public Debts Sinking Fund Commissioners, £97,100, the total amounting to £977,800. Of this sum, £330,000 is represented in Treasury bills, which we thus purpose transforming into consolidated stock. As the authority of the holders of the securities has been given to their conversion, we assume, for the purposes of this Statement, that the operation is complete, and we propose to ask authority to place the accrued Sinking Fund, and a sum paid by the Manchester Corporation, amounting in all to £67,694, now standing against these securities, to the credit of the Public Works Account. It has been intimated to the Agents that stock of a uniform description bearing one rate of interest, and of an equivalent value to that at present held, are the main conditions the managers of the various trust funds desire to see observed.

#### MEETING OF PARLIAMENT.

My predecessor, Mr. Larnach, in his Financial Statement last Session, pointed out what he held to be a defect in the present system of voting the supplies of the year, by which the expenditure is carried on for several months of the year without any appropriation being made, and incurred solely on the authority of Imprest Supply Acts. To cure the defect, which the Committee I think will admit, he

suggested two alternative plans: either to alter the time of the commencement of the financial year, or for the Assembly to meet not later than the first week in June. Sir, I would venture to submit, for the approval of the Committee, another means by which the result desired may be attained. If the Estimates are passed at the beginning of the Session instead of towards the end, the Committee will regain the control which it partly waives by deferring the time of dealing with them, while it will be following the practice of the House of Commons. The Government will ask the Committee to give effect to this suggestion, and Supply will be moved for at the earliest possible moment.

ESTIMATED EXPENDITURE, 1878-79.

Having dealt with the past, I have now to state the expenditure which we estimate will have to be met during the current year. The expenditure seems to be naturally divisible under two heads—namely, the Permanent Appropriations Table P. and the Annual Charges. The former of these heads includes the Civil List, Interest and Sinking Fund, Subsidies to Local Bodies, Land Revenue payable to Counties—the expenditure being made under Acts of the Assembly. The second head is Annual Charges, embracing the Departments and Miscellaneous. Following this distinction, the Permanent Appropriations are estimated at £1,809,767 15s. 9d., and the Annual Charges at £2,183,741 12s. 9d., making, with the fees, &c., payable to local bodies £200,000, a total estimated expenditure for the year of £4,193,509 8s. 6d.

The Interest and Sinking Fund on the public debt, including provision for the last loan, is stated at £1,225,129. The subsidies to local bodies require this year £255,000, against £170,371 paid last year. The estimate of the amount payable to counties, under the 20 per cent. arrangement, is £220,000. This estimate contains all the elements of uncertainty, and will be modified according to the extent of the land sales. With this exception, all the items under the head of Permanent Appropriations are of that nature which cannot be subjected to reductions, unless the amount of the subsidies to local bodies should be brought under review.

The Agent-General's Department has hitherto been subjected to a process of analysis, and the cost distributed among a number of services, on the principle that it performed work for each, with the result that it was difficult to discover the total cost of the department. It has now found a local habitation, is seen under one head, and is met out of revenue. The cost of this department has been greatly reduced, the vote asked for this year being £4,000, against an expenditure last year of £5,972.

In only one administrative department is there an appreciable increase. The vote asked for Lunatic Asylums is £36,202, against £32,481 last year. The large influx of patients has made this increase a necessity.

Education requires a sum of £217,370 this year, against an actual expenditure last year, including liabilities, of £213,278 18s. 8d. This amount is not likely to be exceeded, the average daily attendance having been carefully estimated. We think, Sir, the great increase in the attendance, which the Education Report shows is taking place, is sufficient reason for giving the present system a fair trial, and paying liberally for the results. We propose asking for £100,000 this year out of loan for new school buildings, the demand for which has been expressed in nearly every Education district.

The important reforms which the Government are inaugurating in the Law and Justice Department, tending as they are in the direction of economy, have led to a considerable reduction in several branches.

The Native Department has also been subjected to the pruning knife, the estimate being less than that of the previous year. The amount estimated for salaries and contingencies is £16,887, against £20,322 last year. There has been an increase for Native schools, amounting to about £1,500; but the extension of the means of education to Native children, and the evident appreciation on their part of what is being done, is a most satisfactory feature of our educational system.

The Customs Department will not bear any great reduction, but it has been instrumental in effecting a number of economies. In most of the land districts the Collectors of Customs have been made the Receivers of Land Revenue, by which a saving of £775 a year in salaries has been attained. They also collect license fees for the municipalities, and, as revenue officers, if our proposals are adopted, will undertake still further duties of an important nature without extra cost. The Postal and Telegraphic Departments show the increases which are required by the extension of the services. The estimated expenditure on the working railways is £487,203, an amount of course largely affected by the mileage of railways opened. My colleague, the Minister for Public Works, will be able to show that the change which has been made in the management of the railways has already led to large savings, and is calculated to promote still greater economy in the future.

The Miscellaneous is estimated at an unusually large amount this year, in consequence of including therein provincial liabilities and votes for special services. But, as I have shown when alluding to the subject of the Provincial Liabilities, there are items of receipt to the extent of £195,703 specially available to meet these extraordinary demands.

In the estimates will be found an item of £44,000 for the purchase of heavy ordnance, and the construction of defensive works in the principal harbours of the colony. The amount is based on an estimate formed by a Military Commission in England. I shall not do more here than refer to a possible objection to the charge being met out of revenue. On this I would merely remark that we think the time has come when loans should be entirely applied to works of a reproductive character, and calculated to develop the resources of the colony. A large number of charges formerly made against loan will in future be met out of revenue, leaving free for railway construction and great colonial works the proceeds of loans which the Legislature may at any time sanction. The expenditure on the whole has been framed to make ample provision for the wants of the different services, and to provide for charges which, it is anticipated, will have to be met during the year; but it is hardly necessary to observe that the first object of judicious administration is to effect those savings on the estimates which can be done without destroying confidence in the good faith of the colony, or impairing the usefulness of the public service.

#### ESTIMATED REVENUE, 1878-79.

Table Q.

In estimating the revenue for the present year, I am not taking into account any alterations we have to propose in the tariff, but am dealing with the revenue to be raised under the existing law. Preserving the distinction, to which I have already drawn the attention of the Committee, between the different kinds of revenue, the amount estimated from taxation this year is £1,490,000. The Customs are expected to yield £1,320,000, and Stamps £170,000, both being calculated from information carefully prepared. Under the head of "Receipts for Services Rendered," we anticipate a revenue of £1,112,145, or a total ordinary revenue of £2,602,145. Included under the last head, the amount estimated from Railways is £710,000, or in excess of the returns of the previous year by £148,542. The other services show an estimate of increase on the revenue of the past proportionate to our progress. The next great head is "Territorial Revenue," from which, keeping our expectations fairly within the bounds of moderation, we hope to receive £1,229,677. From receipts specially applicable we shall get £230,215. Adding these amounts together, the total estimated revenue for the year is £4,062,037, or—including the fees, &c., payable to local bodies, estimated at £200,000—£4,262,037. To this amount I add the balance of the surplus of last year, £20,468 13s. 2d.; and we have a total of £4,282,505 13s. 2d. as the estimated receipts of the year. Deducting the estimated expenditure, £1,193,509 8s. 6d., we have a surplus of £88,996 4s. 8d., available to meet supplementary votes or contingent expenditure.

#### THE PUBLIC WORKS ACCOUNT, 1878-79.

Before passing from the accounts of the year, I will state the position of the Public Works Account, as it will be affected by the proposals which I

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

change took place, allowing for the portion of the year during which the measurement system prevailed. I have had returns compiled to enable the Committee to see at a glance the non-progressive character—notwithstanding the unprecedented prosperity of the Colony—of the revenue collected under the *ad valorem* system. A few comparisons will demonstrate the position. In the year ending

Table Y. June, 1875, during the whole of which the 10 per cent. *ad valorem* duties were in force, the revenue derived from this source was £364,558. For the year ending June, 1878, the revenue from the same duties was only £330,770, a falling off of £33,788. During the same period all the other great items of revenue showed a large increase, presenting a remarkable contrast to those subject to the *ad valorem* system. The duty on tea, for instance, increased in the same time from,

Table Z. in round numbers, £68,000 to £80,000; on sugar, from £114,000 to £131,000; and on goods by weight from £63,000 to £77,000.

We may, or may not, accept the theory, that these different results are to be only accounted for by a large proportion of fraudulent entries at the Customhouse, for which the *ad valorem* system gives superior facility; but the figures I have stated, of themselves point to the necessity for reform, and justify the Government in proposing a change, even though necessarily incomplete, in the present Session. The object we have in view is to change the *ad valorem* into specific duties; but we cannot, with the data and time at command, do more than make a beginning this year. It is no part of our proposals to increase the total revenue, but to make the specific duty yield as near as possible the amount derived under the *ad valorem*. The following are the articles on which the change will take place:—Wool-packs, corn-sacks, flour-bags, carbonate of soda, cream of tartar, tartaric acid, fish, potted and preserved, jams, &c., bottled fruits, mustard, pickles, sauces, starch and blue, lead piping, naphtha, nails, wrapping paper, and paper bags. Naphtha was formerly on the free list, but we have included it because of its relation to other dutiable articles.

The total Revenue received from these articles last year was £23,291, and we anticipate about the same amount under specific duties. To complete the list we propose to include boots and shoes, the revenue from which last year was £18,295, and the specific duties on which are fixed on a scale well understood in the trade. Papers showing the proposed duties will be laid on the table. The effect of these changes is calculated to relieve trade from some of the opprobrium it was certain to incur under a system which has been condemned in nearly all commercial countries; while care has been taken that the young and growing industries of the colony are not injured but rather fostered. The tariff at present comprises two hundred and fifty specified headings, of which ninety-one are fixed rates, and one hundred and fifty-nine *ad valorem*. If our proposals are adopted, twenty headings will be taken from the *ad valorem* list and added to the fixed; and if the remission of duties be carried out, thirty-eight headings will be altogether removed from the tariff.

#### TAXATION.

I now approach the question of taxation.

The House has decided, and the country has endorsed the decision, that our taxation bears with unequal pressure on different classes of the community, and that the time has arrived when we should address ourselves to the task of readjusting the burden which the colony is called upon to sustain. In one respect the time for accomplishing this object could hardly be more favourable than it is at this moment. It is in periods of prosperity we are freest to consider what, in questions of taxation, is just, as well as what is expedient, and when changes can be effected with least apprehension of unfavourable results. The colonialization of the Land Revenue has placed in the hands of the Government and the House a powerful reserve force, capable of immediate expansion in emergencies; but we must also recognize that it is a force which may be easily abused. The Government accept the position that this great source of income should not possess entirely the character of ordinary revenue, or be dealt with as if it were a fountain never to be exhausted. Attached to the revenue from land sales there are obligations which we cannot overlook in the changes we intend to propose. It might be

comparatively easy to remit a number of taxes which are either oppressive or irksome, making good the loss to the exchequer by increasing the land sales; but the unwisdom of thus dissipating our capital without regard to the primary interests of beneficial occupation would be at once apparent.

We assume then, Sir, that the Land Fund was not colonialized in order to supply deficiencies in the ordinary revenue, or to prevent a reconsideration of the question of taxation. If this view of the character of the Land Revenue be generally entertained, we shall be able to approach the question of a change in the incidence of taxation with our minds free from considerations about the probable amount likely to be derived from that source in the future. Exceptionally favoured years in respect of land sales will mean simply that a large auxiliary aid to the prosecution of public works will be forthcoming. With this distinction between land and general revenue understood, I may at once state that we do not see our way, even were it desirable, to propose large remissions without at the same time providing a means of compensating the revenue. On this point I will have something more to say as I proceed to develop our proposals, and I shall refer now to reductions.

It often follows that if the remissions of Customs duties are gradually and judiciously made, the consumer is relieved, while the revenue soon recovers itself. This experience, however, does not apply to total remission; but I would point out that the revenue derives less benefit from a great number of trifling duties, than trade sustains injury by their imposition. Having briefly alluded to the principles on which we have proceeded, the Committee will be prepared to hear our proposals.

We propose, then, to abolish altogether certain Customs duties which either fall on the necessaries of life, or clog the wheels of industry, or render more complex and costly the system of collection, the list embracing the following:—The duty on grain, which yields £3,930; the duty on flour, which yields £5,080; on maizena and corn flour, £545; on sago, £299; on arrowroot, £206; on bacon and hams, £136; on butter and cheese, £64; on artisans' tools, £249; on building materials not otherwise enumerated, £161; on axles, axle-arms, and boxes, £316; on cart-shafts, spokes, &c., £100; on photographic goods, £237; on baskets and wicker-ware, £103; on perambulators, £125; on steel, £117; on iron fencing-wire, £5,038; on paints wet or dry, £2,081; and on twenty-four minor articles, the duty on which yields £939. The total of these remissions amounts to £19,726.

The Tea and Sugar Duties, though last on our list, are first in point of importance. The demand for "a free breakfast-table" may not at first sight appear to have the same meaning in the colony as in the mother country; but when we consider the immense proportion of the taxation which these articles yield, and that the labouring classes are the principal consumers, we may be able to realize the justice of the complaint of the breakfast-table. If we do not at once grant complete emancipation to the breakfast-table, we shall show our sincerity by giving substantial relief—as much relief as we can afford in the present year, and therefore, keeping in view the stability of our finance, as much as would promote the welfare of the classes particularly affected. I have estimated the revenue on tea this year at £84,000, and we propose to reduce the duty from 6d. to 4d. per lb., giving a relief to the tea-drinkers of £28,000 a year. Tea being a universal beverage, I have not estimated any recovery from increased consumption.

The Sugar Duty mainly bears on the same classes as does the duty on tea, but it affects a number of industries which require special consideration. A reduction of duty, in the first place, might possibly tend to prevent or retard the cultivation of sugar in the colony. To whatever extent it would in this way operate the existing rate now offers prospective protection. The benefit in thus encouraging the establishment of the industry is, perhaps, more hypothetical than real; for it is probable that in but few instances is the amount of protective duty to be placed in comparison with soil, climate, the price of labour, and other circumstances, in determining the success of such an industry. Whether this will ever be a sugar-growing country or not, it is likely to have an increasing commercial intercourse with those countries which can produce sugar under the most favourable influences, and the exchange of productions with them will be stimulated by the invitation to reciprocity which we hold out by the reduction of our import duties. The reduction in the price of sugar would probably largely

influence the success of the fruit-preserving industry, which at present exists, and will become important if our manufacturers are able to compete with those of other countries. I should not omit mentioning that a reduction of duty would be a direct relief to the beer-drinkers and the brewers, whose responsibility to the Treasury I shall refer to presently. But, Sir, sugar is one of the common commodities of life, an article of food necessary to the comfort and happiness of all; and the Government have had no difficulty in deciding as to what should be done in this matter. The duty on sugar is now a penny per lb., and we propose to reduce it to a halfpenny. The estimated revenue from sugar this year is £137,000, and the relief to the consumer under our proposal will be £68,500. We estimate the increased consumption will reduce somewhat the loss to the revenue on this item, but the effect will probably not be great during the present year.

#### WINE.

The duty on Australian wine we also propose to revise. Before the year 1873, memoranda were sent home from this colony to the Secretary of State urging the right of our Legislature to establish differential duties on articles the products of the Australasian colonies. Honorable members will recollect that the question was urged with more than usual energy, indicating that the matter was thought to be one of some importance to the colony. The result of the correspondence was that, in 1873, the Imperial Legislature passed the Australian Colonies Duties Act, which enabled any or all of the Australian Colonies to establish with each other, and with New Zealand, differential duties applicable to their natural productions. But strange to say, no action up to the present has been taken by this colony to give effect to a system about which, at one time, it displayed unusual earnestness; yet it has appeared to the Government that the reasons for a reduction of the duty on Australian wine are as strong to-day as they appeared in 1871. The quantity of Australian wine imported into the colony in the year 1877 was 12,075 gallons, yielding in duty at 4s. a gallon £2,415. The amount of the duty is almost prohibitive; and its reduction on this article would, from the stimulus given to increased consumption, probably not entail a loss to the revenue. We propose this year to reduce the duty to 2s. a gallon, estimating the same amount of revenue as when the duty stood at the higher rate.

The Government are not without hope that the reduction of duty on Australian wine will tend to promote a spirit of reciprocity in the sister colonies towards New Zealand, and that some of the duties which prevent the development of trade and limit the export of our productions thither, will be reduced or abolished. We believe that this will be the case at least with New South Wales, whose Postmaster-General recently paid a visit to our shores, and whose desire to see established a closer commercial alliance and a more friendly intercourse between the two colonies, was earnestly expressed.

I have now to deal briefly with another article of the same class. If it be true that duties should bear some proportion to value, and that luxuries should be taxed higher than articles of general consumption, the Committee will, I trust, concur in the equal justice of increasing the duty on sparkling wines from 4s. to 6s. a gallon. This duty is that fixed in most of the Australian colonies, and is a reasonable demand on those who will pay it. As there is not likely to be a decline in the quantity consumed, we expect £1,300 additional from this source, or a total revenue from this description of wine of £3,900.

To sum up the effect of these changes,—we propose to abolish altogether the duties on a great number of the conveniences and necessaries of life, with a loss to the revenue, and a gain to the consumer, of £19,726. The remission of 2d. a pound on Tea is £28,000; and the reduction in the Sugar Duty from 1d. to  $\frac{1}{2}$ d. a pound will benefit the consumer to the extent of £68,500. The remission on Australian Wine is £1,207, the amount being recovered to the revenue from the increased consumption. The total amount of taxation thus remitted is £117,433, or, in round numbers, £117,000. As I have shown to the Committee, nearly the whole of this taxation is taken off those commodities which are consumed principally by the great body of the people; or, as in some cases, a number of articles which yield hardly any revenue is struck off, with the object of simplifying the tariff.

This, then, Sir, is the nature and the extent of the relief which the Government see their way to afford in the present year, and we think the Committee will at once recognize that the relief has been given with no niggard hand. That we have not passed the bounds of prudence, it will be for our proposals, when viewed as a whole, to establish. As the remissions are intended to take place from the first of January, 1879, the loss to the revenue in the present financial year will be about £58,000.

#### LAND TAX.

And now, Sir, I shall ask the attention of the Committee to the proposals we have to make on the subject of fresh taxation. The policy of opening up for settlement the lands of the colony by means of railways, roads, and other works, executed out of loans contracted in the foreign market, has entailed upon the colony a heavy responsibility in the form of interest, which has reached on the total debt a sum of about a million and a quarter annually. On the other hand, one of the most marked effects of that policy has been to enhance the value of all property—especially land—which derives a permanent benefit from the extension of the railway system and other means of communication. The increase in the value of land is due to the additions which the population has received by means of assisted immigration in a degree scarcely inferior to that caused by public works, and as the same cause will continue in existence a similar result may confidently be expected. The exemption of this accumulating wealth, land, from contributing to the general revenue of the colony, has been condemned by the House as unjust to those who have been paying on the perishable necessities of life the principal portion of the taxation. We propose, therefore, to extend the taxable basis, with the double object of establishing more firmly the finance and credit of the colony, and of fairly adjusting the fiscal burdens according to the capacity of the different classes to bear them.

And, here, I may take the opportunity of disclaiming and repudiating the charge which is sometimes made, that the Government have in contemplation a class tax. The very contrary is the fact. We hold that the system which we propose to correct has worked unfairly in the past; that it has favoured the escape from taxation of the greater portion of the wealth of the colony, and has implanted a strong sense of injustice in the minds of the wages class. The readjustment we hope to effect will tend to efface the inequalities I have referred to; and, instead of promoting hostility between classes, will remove the causes which have been gradually estranging them. The worst enemies of the privileged classes are those who, while crying out against class legislation, are intent on preventing any settlement of grievances; for, the longer the readjustment is delayed, the more violent will be the remedy when the time comes, as come it must, for its application. We believe that no form of wealth is more legitimately called upon to contribute a portion of the public revenue of the colony than the value of land minus improvements, which for brevity I shall call, the unimproved value, as no other commodity increases so rapidly in value from the increase of population and the natural progress of a country. By exempting improvements, we award a premium to industry, and discourage a system of speculation which thrives only upon the labour of others.

Now, Sir, there are two methods by which the unimproved value of land may be found. The first is classification, with a fixed and arbitrary value attached to each class, as in Victoria, where the distinction is arrived at by estimating the sheep-carrying capacity of the land. At first sight this system appears simple and easy of application. It has the obvious effect of discouraging the holding of large areas, unless the quality of the soil is good, and there is abundance of capital to work it. The principal objection to it is, that, with a given number of classes, it does not recognize the position-value of urban and suburban property, or sufficiently distinguish between the capacity of the holder of poor land, and the holder of rich land, to contribute the tax; between property in proximity to railways and roads, and property isolated from arterial lines of communication. But, perhaps, the strongest objection is that the tax is comparatively stationary, and does not bring under it the increment of unimproved value which takes place between one period and another.

The system to which these objections do not hold good, and which has recommended itself to the Government, after much consideration, as the fairest, is founded on a direct valuation according to the market value, deducting improvements. Here every holding would have its own special value, derived from position and quality, including accessibility to market, situation in towns or suburbs, the productive capacity of the soil, and other natural advantages. The principle, then, we propose is, to tax the actual value to sell, minus improvements, embracing both town and country, with a re-valuation every third year. The natural increase of wealth, thus ascertained, from one period to another, will indicate one peculiar and remarkable kind of progress—namely, that arising from the general prosperity of the community, apart from the enhanced value which labour gives to the land itself. A man in making improvements will know that he is not at the same time swelling the exactions of the tax-gatherer, but that the reward of his industry is altogether his own.

We propose to follow the precedent of the Income Tax in England, in exempting values below a certain amount. Every holder will be entitled to claim an exemption to the extent of £500 on the total value of all his holdings, and no one will be called upon to pay the tax the value of whose property is not more than that sum. The leaseholder, except where the lease is held from the Crown, will have the right to deduct from his rent at the time of payment the amount of the tax. The minimum unimproved value of land will be fixed at a pound an acre. The measure we shall introduce to give effect to these proposals, will provide for a system of assessment within each county and municipality, setting forth the improved and unimproved value, and it will empower the local bodies, at their option, to accept the valuations required under the Rating Act. The Committee will observe that the owner of landed property will not begin to contribute under the tax until two deductions or exemptions of a very material character are made. By the exemption of improvements, the industry of the improving settler escapes taxation; and by not taxing the first £500 of unimproved value, the settler commencing with small means is left unburdened until in making a start in life he rises above his difficulties, while the class character of the exemption is destroyed by making it universal.

I now come, Sir, to the question of results, after having explained the principle and basis on which we propose to proceed. The present local valuations for rating purposes are probably not entitled to the most implicit confidence, but they constitute the only data from which I am able to estimate the value of improved land in the colony. The annual valuation of Highway and Local Boards this year is £2,343,249, and the Municipalities £1,467,746; giving a total annual value of £3,810,995. The Highway valuations are incomplete, and the annual value may with moderation be taken at £4,000,000. This, capitalized at 5 per cent., gives £80,000,000 as the improved capital value of the real property of the Colony. It may be more, as the valuations seldom reach the market value; but we accept it as the basis. I deduct for improvements three-sixteenths, or £15,000,000, and for the exemptions of £500, another £15,000,000, leaving £50,000,000 of a taxable value under our proposal. The estimate of the amount deducted for exemptions I have taken at what may be considered the minimum, so that the revenue expected, and which we think ought to be derived from this source, may not prove excessive, or be more than to meet our requirements; the principle being kept in view that in imposing a new tax before all the statistics relating to it can be collected, it is preferable to obtain less, not more, than the amount of revenue anticipated. We propose that property under this head shall contribute a halfpenny in the pound, which on £50,000,000 will yield to the revenue a sum of £104,166, or in round numbers say £100,000. The net gain to the revenue will, however, not reach this amount by £10,000—the estimated cost of valuations and collection. The Government believe their proposals on this subject will be received as characterized by fairness and moderation, as founded on a principle just in itself, and so applied as to inflict the least hardship on any class of the community.

## JOINT-STOCK COMPANIES.

We propose, Sir, to equalize the burdens of taxation still further, by imposing an Income-Tax on Joint-stock Companies transacting business in the colony. The first and greatest objection to a general income-tax, that of false declarations, does not apply to companies whose profits require to be published. The capital, moreover, invested in companies differs from the capital a private individual employs in his business; the first being generally the accumulated savings of the investor, over and above what he requires in his trade or profession. In the credit and prosperity of the colony these companies directly participate, while many of their shareholders live out of the colony, and, without effort or responsibility to other forms of taxation, continue to draw away their profits. We think, Sir, that to impose a tax of 3d. in the pound on the net profits of all joint-stock companies registered or trading in the colony, will not show any want of appreciation of their value or enterprise, or in the least discourage this form of coöperation; but that, on the contrary, more than a corresponding benefit will be returned in the prosperity and contentment of the people. A careful estimate of the paid-up capital and profits of the companies shows an annual income of £800,000; and 3d. in the pound, or  $1\frac{1}{4}$  per cent., will yield £10,000 to the revenue. There is a large proportion of the companies which pay no dividends, and any attempt to tax the paid-up capital by means of an increased stamp duty (an alternative plan) would fall with great severity; but no company, showing a net profit for disposal at the end of the year, can reasonably object to pay in taxation so small a percentage as 3d. in every pound of their income. We have no doubt, Sir, but that the companies will admit we have treated them with consideration, and with a due regard for the important interests involved.

## BEER TAX.

I have referred to the relief given to the brewers by the remission of one-half the Sugar Duties. The quantity of sugar returned as used in the breweries of the colony in 1876 was 2,271,600 lbs., yielding in duty £9,465. Supposing the same quantity consumed, the relief to this industry is £4,732. The total duty paid by the brewers under the existing tariff, on the materials, malt, hops, and sugar, is about 2s. 8d. per hogshead. If the average value per hogshead be £5, the duty paid but slightly exceeds  $2\frac{1}{2}$  per cent.; and, with the remission on Sugar, the duty will be reduced to less than 2 per cent. Now, we are able to compare the position of the beer-drinkers in the colony with those of the mother country, where the different taxes on materials, and licenses, constitute a duty of from 18 to 23 per cent. on the trade prices of beer. If the position were reversed, the colonial consumer would have no right to complain, for the wages test would still be in his favour. At present he almost escapes taxation on this article. The amount of duty paid by the brewers on malt in 1876 was £2,654, and on hops £4,832. Now, the importations of malt are declining, £1,593 having only been collected on this head last year, and on hops £4,136, and in a few years it is probable the whole of the malt used will be produced within the colony. The production of colonial hops is also progressing, so that the duty derived from the importation of these articles is not likely to be maintained. It will thus be seen that from all but a revenue point of view these facts are satisfactory.

Well, Sir, we think the beer-drinker will concur in the great moderation of our proposals if we ask him to contribute a beer tax of  $1\frac{1}{2}$ d. a gallon. It may be said that the consumer will not pay the tax at all, but that it will come out of the profits of the brewer, or of the retailer. It is only in accordance with sound economic doctrines to suppose that all such changes ultimately affect the consumer only, and I do not wish to reason away the conclusion. How, then, will he stand? He may certainly save his tax by drinking so much less beer; but, as the habit of indulgence is stronger than self-denial, there is no ground to anticipate in that respect an appreciable falling off. The tax on beer will then stand at  $6\frac{1}{2}$  per cent., in addition to the 2 per cent. at present contributed indirectly on the materials, or a total duty of  $8\frac{1}{2}$  per cent.—a per centage considerably less than one-half the duty received from the same source from the people of England. I estimate the consumption in the colony at 5,000,000 gallons, though there is some ground for

thinking it may be more ; but as our statistics are incomplete, I have taken the lowest calculation. This quantity, at  $1\frac{1}{2}$ d. a gallon, would yield a revenue of £31,250, or, say, in round numbers, £30,000. We propose to allow the brewers a drawback of the duty on all beer exported from the colony. The mode of collection will be arranged to give the least trouble to the payer of the tax—the system of stamps prevailing in the United States recommending itself by its simplicity and directness. The Customs Department will assume control of this item of Inland Revenue, and I do not expect any considerable increase to the staff in consequence. I submit this tax to the Committee as one which, while touching with great lightness the contributor, is calculated to strengthen, as it will augment, the finance of the colony.

#### FINANCIAL RESULTS.

Sir, I have approached that point when I may bring together our different proposals, and present the results in a condensed form to the Committee. The annual amount of the Land Tax I have estimated at £100,000. The Income Tax from Joint-stock Companies will, I expect, yield £10,000. From Beer brewed in the colony we hope to obtain £30,000 ; and from Sparkling Wines, say, £1,000. These different sums make up a total, in fresh taxation, of £141,000. Deducting from this the total of remissions, £117,000, there is a margin of £24,000 which the new taxes are calculated to bring in above the revenue remitted. But there will stand against this margin the departmental expenses incurred over the Land Tax, which will probably be not less than £10,000 the first year.

But, as the Land Tax, and the tax on joint stock companies will not come into force before the 1st January next, the result for this year must be modified accordingly. The amount receivable from these taxes during the present financial year will therefore be £55,000. The Beer Tax will be receivable at once, and will yield, for eleven months, £27,273. For the same time the increase on sparkling wines will give £1,000, making a total from the new taxes in the present financial year of £83,273. Deducting from this the estimate of the loss from remissions for the half-year, £58,000, we have a surplus of £25,273 ; and, if we subtract the £10,000 estimated departmental cost of collecting the Land Tax, there remains a net surplus in favour of revenue of £15,273.

Now, Sir, although we do not ask that the total of taxation should be increased, we propose that this margin should be allowed to stand. It would be over-refining the position to make the remissions and the new taxes exactly equal, the data, as I have said, being in many respects incomplete. Nor should it be forgotten that the work of effecting a thorough reform is not to be achieved in a single year. While we think the new taxes proposed will be sufficient, with continued progress and the increasing nature of the revenue, to yield all that will be demanded from the same sources, we are not without hope that the state of the revenue at the end of the present financial year will enable us to make still further remissions on the necessities of life, and to proceed yet a considerable distance in reducing the length of the tariff.

Sir, one of the principal aims of the Government, since the termination of last session permitted them to devote attention to the question, has been to render simple and clear the financial position. The magnitude of the labour requires time for its entire accomplishment ; but I trust it has been within my scope to state, with some precision and accuracy, the actual state of the public accounts, to remove unnecessary distinctions, and establish others which may appear natural and obvious ; to bring into a focus and under survey the whole field of colonial finance. The credit of a British colony depends as much upon the openness and publicity given to its financial operations, even to their weaknesses and defects, as upon the traditional honesty and industry of the race.

It is, at the same time, a fortunate circumstance that, looking back over the field, there is nothing to disturb the faith which is reasonably reposed in our continued industrial, commercial, and financial prosperity. The changes we propose to inaugurate are, we believe, strongly calculated to accelerate this prosperity—which moves only with certain step when public right and justice are respected and jealously guarded. To maintain, for instance, those inequalities of taxation, which we propose to remedy, would benefit no man who intended to remain and

make his permanent home in the colony. It would be vain to expect that all interests can be blended in mutual compromise, or to suppose that human nature can be changed to break down the lines of demarcation between the allies of resistance and the advocates of progress; but we can easily imagine a progressiveness arising from the constitutional conflict of both elements; the common object being the welfare of the colony, and the difference only as to the means by which that object may, in the highest degree, be obtained.

The policy I have the honor to submit on this occasion embraces questions of the largest interest to this colony. We have proposed to free commerce from unnecessary restrictions, and to relieve it from the ban of a system which offers a premium to dishonesty by making it difficult of detection. We have given direct encouragement to industries which are taking root in the colony, by striking off the duty on articles used in manufactures. Foreign trade will be encouraged by the offer of reciprocity, which we advance without stipulations, leaving it to be determined by the mutual interest of those concerned. Some luxuries are brought further within the range of taxation. On articles of every day consumption, and among the necessaries of life, we have proposed that the duty shall be either altogether remitted or substantially reduced. The accumulations of wealth in the form of real estate and joint-stock capital will be placed, for the first time, on the same level as tea and sugar, and be made to contribute a fair and not burdensome proportion of the revenue of the colony.

We are convinced, Sir, that these proposals, if adopted, will give a fresh impetus to the march of progress in New Zealand, as they will show a country inviting labour as well as capital from all parts of the world by the justice and liberal character of its legislation.

It cannot be doubted that the colony possesses inexhaustible resources: it is true that Nature has bestowed upon it the most lavish gifts; but the bounty of Nature must be matched by the beneficence of our institutions, and the equity of our public policy. To this end our purpose has been directed, and we ask the Assembly to give it form.

Sir, the Committee has shown great indulgence in permitting me to go through a labyrinth of figures, which is always trying to the patience, and only tolerable in a statement of the public accounts; and I have to express my deepest thanks for the attention which has been accorded to me.

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## APPENDIX TO THE FINANCIAL STATEMENT,

DELIVERED BY THE COLONIAL TREASURER, THE HON. JOHN BALLANCE, IN COMMITTEE OF  
WAYS AND MEANS, TUESDAY, 6TH AUGUST, 1878.

## CONTENTS.

	PAGE
<b>A.</b> —The Public Debt of New Zealand ... ..	23, 24
<b>B.</b> —General Balance-sheet and Summary of Transactions of the Public Account ... ..	25
<b>C.</b> —Receipts and Expenditure of the Public Account ... ..	26-33
<b>D.</b> —Statement showing the Total Expenditure of the Consolidated Fund for the Financial Year 1877-78, with a comparison of the Sums voted and expended in each Class ... ..	34
<b>E.</b> —Comparative Statement of the Estimated and Actual Revenues of the Colony for the Financial Year 1877-78 ... ..	35
<b>F.</b> —Comparative Statement of the Actual Revenues of the Colony for the Financial Years 1876-77 and 1877-78 ... ..	36
<b>G.</b> —Statement of the Consolidated and Land Revenue (exclusive of Gold Fields Revenue) received during the Nine Years commencing 1869-70 ... ..	36
<b>H.</b> —Comparative Statement of the Net Expenditure of the Consolidated Fund and the Sums voted under "The Appropriation Act, 1877" ... ..	37-41
<b>I.</b> —Statement of the Unauthorized Expenditure of the Consolidated Fund Accounts of the several Provincial Districts in respect of the period ended 31st December, 1877 ... ..	42, 43
<b>J.</b> —Land Fund Accounts of the several Provincial Districts for the Financial Year 1877-78, in respect of the period from 1st July to 31st December, 1877 ... ..	44
<b>K.</b> —Statement of Balances at Credit of Accounts of Local Bodies on 30th June, 1878 ... ..	45
<b>L.</b> —Statement of Balances at Credit of Deposit Accounts on 30th June, 1878 ... ..	45
<b>M.</b> —Comparative Statement of the Net Expenditure of the Public Works Account and the Sums voted for the Year 1877-78 ... ..	46-48
<b>N.</b> —Statement of the Unauthorized Expenditure of the Public Works Account ... ..	49
<b>O.</b> —Statement showing the Total Ways and Means of the Public Works Account, the Total Expenditure to 20th June, 1878, and the Balance on that date available for Appropriation ... ..	50
<b>P.</b> —Statement of the Estimated Expenditure out of the Consolidated Fund for the Financial Year 1878-79 ... ..	51
<b>Q.</b> —Statement of the Estimated Receipts of the Consolidated Fund for the Financial Year 1878-79 ... ..	52
<b>R.</b> —Comparative Return of the Duties of Customs collected at the several Ports of New Zealand for the Financial Years 1876-77 and 1877-78 ... ..	53
<b>S.</b> —Return of the Gross Duties of Customs for each Financial Year from 1865-76 to the Year ended 30th June, 1878 ... ..	53
<b>T.</b> —Return of the Value of Imports and Exports at each Port of New Zealand for the Financial Year ended 30th June, 1878 ... ..	53
<b>U.</b> —Comparative Return of the Total Value of all Imports and Exports of Victoria, New South Wales, and New Zealand, for the Eleven Years ended 31st December, 1876 ... ..	54
<b>V.</b> —Table showing the Quantity and Value of Wool Exported from New Zealand during the Years ended 31st December, 1876, and 31st December, 1877 ... ..	55
<b>W.</b> —Return of the Quantity and Value of Gold Entered for Duty for Exportation during Financial Year 1877-78, as compared with the previous year ... ..	55
<b>X.</b> —Return of the Quantity and Value of Flour and Grain Imported into and Exported from New Zealand, for the Years ended 31st December, 1876, and 31st December, 1877 ... ..	55
<b>Y.</b> —Comparative Statement of Ad Valorem Duties collected during the Five Financial Years ending 30th June, 1878, with the amounts collected on similar articles by means of Weight and Measurement Duties during the preceding Five Years ... ..	56
<b>Z.</b> —Comparative Return of Customs Revenue collected during the Five Financial Years ended 30th June, 1878 ... ..	56



Table A.

THE PUBLIC DEBT OF NEW ZEALAND ON 30TH JUNE, 1878.

LOANS.	DEBENTURES AND TREASURY BILLS IN CIRCULATION.		When Redeemable.	SINKING FUNDS ACCRUED.	NET INDEBTEDNESS.	ANNUAL CHARGE.			TOTAL.	
	Amount.					INTEREST.		SINKING FUND.		
	£	£				Rate.	Amount.	Rate.		Amount.
UNDER ACTS OF THE COLONIAL GOVERNMENT,— Ordinance of Legislative Council ...	375,000	311	On presentation January, 1888	£ s. d.	£ s. d.	p. cent.	£ s. d.	£ s. d.		
New Zealand Loan Act, 1856 ...	25,000	500,000	October, 1888	186,790	7	2	10,000	30,000		
	50,000		October, 1889							
	50,000		June, 1894							
New Zealand Loan Act, 1860 ...	488,000	93,100	1 July, 1891	41,996	11	3	1,862	7,448		
	500,000		15 July, 1914				4,880	29,280		
	201,500	1,519,400	1 November, 1915				5,000	25,000		
New Zealand Loan Act, 1863 ...	236,000		15 March, 1891	1,182,037	10	4	4,030	16,120		
	93,900		15 June, 1891				4,720	18,880		
			15 December, 1891				1,878	7,512		
Consolidated Loan Act, 1867 ...	4,583,100	4,660,100	36 years from issue	229,155	0	0	45,831	274,986		
	64,000		1 January, 1893	3,200	0	0		3,200		
	13,000		15 April, 1913	520	0	0		520		
Defence and Other Purposes Loan Act, 1870	600,000	1,000,000	36 years from issue	30,000	0	0	6,000	36,000		
	50,000		31 December, 1878	2,750	0	0		2,750		
	20,000		1 July, 1880	900	0	0		900		
	75,000		15 April, 1913	3,000	0	0		3,000		
	5,000		25 June, 1881	225	0	0		225		
	250,000		15 July, 1906	12,500	0	0		12,500		
Immigration and Public Works Loan Act, 1870 ...	2,100,000	3,197,800	36 years from issue	105,000	0	0	21,000	126,000		
	372,100		15 April, 1913	14,884	0	0		14,884		
	25,700		15 April, 1882	1,156	10	0		1,156		
	200,000		1 June, 1907	8,000	0	0		8,000		
	500,000		1 February, 1904	22,500	0	0		22,500		
North Otago District Public Works Loan Act, 1872 ...	1,500,000	43,900	1 November, 1902	2,195	0	0	7,000	9,195		
Immigration and Public Works Loan Act, 1873 ...	500,000	2,000,000	1 February, 1904	67,500	0	0		67,500		
			15 July, 1906	25,000	0	0		25,000		
General Purposes Loan Act, 1873	12,300	750,000	15 May, 1914	492	0	0		492		
	49,500		15 December, 1881	2,475	0	0		2,475		
	20,900		15 October, 1883	886	0	0		886		
	18,500		15 October, 1913	740	0	0		740		
	6,200		15 October, 1885	279	0	0		279		
	142,600		Various	7,130	0	0		7,130		
	500,000		15 July, 1906	25,000	0	0		25,000		
Carried forward ...	...	13,764,611		12,305,954	6	1	112,201	779,508		
				1,458,686	13	11	0	10		

\* This rate is payable on the amount of the original issue, viz., £70,000.

**Table A—continued.**  
THE PUBLIC DEBT OF NEW ZEALAND ON 30TH JUNE, 1878—continued.

LOANS.	DEBENTURES AND TREASURY BILLS IN CIRCULATION.		When Redeemable.	SINKING FUNDS ACCRUED.		NET INDEBTEDNESS.		ANNUAL CHARGE.			TOTAL.		
	Amount.	£		s.	d.	£	s.	d.	INTEREST.			SINKING FUND.	
									Rate.	Amount.		Rate.	Amount.
Brought forward ...	13,764,611	13,764,611	...	1,458,656	13 11	12,305,954	6 1	667,307	10 0	112,201	0 0	779,508 10 0	
<b>UNDER ACTS OF THE COLONIAL GOVERNMENT—</b> <i>continued.</i>													
Westland Loan Act, 1873 ...	50,000	50,000	15 April, 1894	556	7 0	49,443	13 0	2,500	0 0	...	...	2,500 0 0	
Immigration and Public Works Loan Act, 1874 ...	4,000,000	4,000,000	1 February, 1905	...	...	4,000,000	0 0	180,000	0 0	...	...	180,000 0 0	
Wellington Debts Act, 1876 ...	16,500	16,500	30 June, 1878	*58,000	0 0	...	...	2,900	0 0	...	...	2,900 0 0	
Wellington Debts Act, 1876 ...	25,000	25,000	30 June, 1879										
New Zealand Loan Act, 1877 ...	16,500	16,500	30 June, 1882	...	...	...	...	...	...	...	...	...	
New Zealand Loan Act, 1877 ...	2,500,000	2,500,000	1 March, 1918	...	...	2,500,000	0 0	125,000	0 0	...	...	125,000 0 0	
Treasury Bills,---													
Treasury Bills Extended Currency Act, 1873 ...	100,000	100,000	1 November, 1878	...	...	430,000	0 0	22,071	1 10	...	...	22,071 1 10	
Treasury Bills Extended Currency Act, 1873 ...	180,000	180,000	1 November, 1882	...	...	...	...	...	...	...	...	...	
Treasury Bills Extended Currency Act, 1873 ...	126,100	126,100	1 November, 1880	...	...	...	...	...	...	...	...	...	
Financial Arrangements Act, 1876 ...	23,900	23,900	1 November, 1881	...	...	...	...	...	...	...	...	...	
<b>UNDER ACTS OR ORDINANCES OF THE LAKE PROVINCE GOVERNMENTS,---</b>													
Auckland Loan Act, 1863 ...	31,600	31,600	33 years from issue	7,218	8 3	24,381	11 9	1,896	0 0	632	0 0	2,528 0 0	
Wellington Loan Act, 1866 ...	13,500	13,500	1 July, 1886	5,178	1 2	8,321	18 10	1,080	0 0	270	0 0	1,350 0 0	
Nelson Waterworks Loan Act, 1864 ...	6,200	6,200	1 January, 1881	5,097	8 0	1,102	12 0	496	0 0	124	0 0	620 0 0	
Nelson Loan Act, 1874 ...	18,000	18,000	...	...	...	18,000	0 0	1,260	0 0	...	...	1,260 0 0	
Lytelton and Christchurch Railway Loan Ordinance, 1860 ...	77,700	77,700	30 years from issue	24,024	7 1	53,675	12 11	4,662	0 0	1,554	0 0	6,216 0 0	
Canterbury Loan Ordinance, 1862 ...	22,800	22,800	50 years from issue	1,302	18 8	21,497	1 4	1,368	0 0	228	0 0	1,596 0 0	
Obago Loan Ordinance, 1862 ...	116,700	116,700	1 July, 1898	24,958	2 0	91,741	18 0	7,002	0 0	1,167	0 0	8,169 0 0	
<b>ADVANCES ON SECURITY OF DEBENTURES AND TREASURY BILLS,---</b>													
New Zealand Loan Act, 1876 ...	21,089,111	21,089,111	...	1,584,992	6 1	19,504,118	13 11	1,017,542	11 10	116,176	0 0	1,133,718 11 10	
Treasury Bills,---													
Treasury Bills,---	1,000,000	1,000,000	...	...	...	1,000,000	0 0	50,000	0 0	...	...	50,000 0 0	
Treasury Bills Extended Currency Act, 1873 ...	120,000	120,000	...	...	...	120,000	0 0	6,000	0 0	...	...	6,000 0 0	
Treasury Bills Extended Currency Act, 1876 ...	172,000	172,000	...	...	...	172,000	0 0	5,600	0 0	...	...	5,600 0 0	
Appropriation Act, 1876 ...	110,000	110,000	...	...	...	110,000	0 0	...	...	...	...	...	
...	£22,491,111	£22,491,111	...	£1,584,992	6 1	£20,906,118	13 11	£1,079,142	11 10	£116,176	0 0	£1,195,318 11 10	

\* The Sinking Funds actually accrued amount to £80,357 3s. being £3,357 3s. in excess of the amount of the outstanding Debentures.  
† Interest is payable on £112,300 only. ‡ No interest is payable.

**Table B.**  
**GENERAL BALANCE-SHEET and SUMMARY of TRANSACTIONS of the PUBLIC ACCOUNT for the FINANCIAL YEAR ended 30th JUNE, 1878.**

	CR. BALANCES ON 30TH JUNE, 1877.		TRANSACTIONS.		CR. BALANCES ON 30TH JUNE, 1878.		DR. BALANCES ON 30TH JUNE, 1878.				TOTALS.			
	£	s. d.	Dr. Disbursements and Transfers.	Cr. Receipts and Transfers.	£	s. d.	CASH IN THE BANK OF NEW ZEALAND.	IMPRESTS TO BE ACCOUNTED FOR.		£	s. d.	£	s. d.	
								Imprestees in the Colony.	Agent-General.					
CONSOLIDATED FUND	80,057	12 10	5,678,379	1 7	6,228,026	15 2	461,362	3 11	42,656	3 4	125,686	19 2	629,705	6 5
PUBLIC WORKS ACCOUNT	652,989	13 1	2,027,733	9 6	1,174,692	10 11	67,356,311	13 11	29,868	8 1	126,392	0 4	67,200,051	5 6
RECEIPTS IN SUSPENSE	377	6 3	29	5 3	...	...	348	1 0	...	...	...	...	348	1 0
SPECIAL FUNDS:—														
Consolidated Loan Act, 1867	37,632	0 8	37,632	0 8	...	...	...	...	...	...	...	...	...	...
Defence and Other Purposes Loan Act, 1870	35,416	18 9	35,416	18 9	...	...	...	...	...	...	...	...	...	...
Wellington Debts Act 1872 Redemption Account	2,059	9 11	5,444	1 9	3,384	11 10	...	...	...	...	...	...	...	...
North Otago District Public Works Loan Act, 1872	540	3 4	9,686	12 0	9,146	8 8	...	...	...	...	...	...	...	...
Westland Loan Act 1873 Redemption Account	425	3 3	478	18 3	53	15 0	...	...	...	...	...	...	...	...
State Forests Account	2,226	13 3	2,226	13 3	...	...	...	...	...	...	...	...	...	...
New Zealand Loan Act, 1876	59,901	11 11	59,901	11 11	...	...	...	...	...	...	...	...	...	...
New Plymouth Harbour Board Endowment Account	...	...	1,688	9 6	1,688	9 6	...	...	...	...	...	...	...	...
Provincial Liabilities	45,888	3 8	45,888	3 8	...	...	...	...	...	...	...	...	...	...
Counties Separate Account	12,641	18 9	12,641	18 9	...	...	...	...	...	...	...	...	...	...
Gold Fields Revenue Account	2,865	12 9	2,865	12 9	...	...	...	...	...	...	...	...	...	...
Gold Duty Account	3,732	10 5	3,732	10 5	...	...	...	...	...	...	...	...	...	...
Waitara Bridge Endowment Account	9	0 0	11	10 0	2	10 0	...	...	...	...	...	...	...	...
LAND FUND	115,646	7 9	115,646	7 9	...	...	...	...	...	...	...	...	...	...
TRUST FUND	67,115	14 11	1,324,434	13 2	1,257,318	18 3	...	...	...	...	...	...	...	...
Totals	1,119,526	1 6	9,369,837	18 11	8,674,313	19 4	105,398	11 0	72,524	11 5	252,078	19 6	430,002	1 11





Table

## STATEMENT of RECEIPTS and EXPENDITURE of the PUBLIC

RECEIPTS.	£	s.	d.	£	s.	d.	£	s.	d.
Brought forward ... ..	...	...	...	4,106,237	15	5	120,564	19	11
<b>CONSOLIDATED FUND—continued.</b>									
<b>FINANCIAL YEAR 1877-78—continued.</b>									
<b>PROVINCIAL LIABILITIES,—</b>									
Balance on 30th June, 1877, in Special Fund Account, transferred to Consolidated Fund by the operation of "The Public Revenues Act, 1877" ... ..	45,888	3	8						
Miscellaneous Receipts ... ..	47,710	16	2						
<b>Receipts in Aid,—</b>									
Transfer from New Zealand Loan, 1876 ... ..	11,850	8	0						
Loan on Reclaimed Land, Wellington ... ..	13,472	0	0						
<b>Bills Payable,—</b>									
Drafts on the Crown Agents on account of £300,000 authorized under "The New Zealand Loan Act, 1877" ... ..	220,000	0	0						
				338,921	7	10			
<b>RECEIPTS IN AID,—</b>									
Treasury Bills renewed ... ..	...	...	...	472,000	0	0	4,445,159	3	3
Temporary Advances from Public Works Account ... ..	...	...	...	300,000	0	0	772,000	0	0
<b>ACCOUNTS OF LOCAL BODIES,—</b>									
<b>Revenue Accounts,—</b>									
License Fees, &c. ... ..	56,045	16	10						
Sales, &c., of Lands made over to Local Bodies ... ..	95,320	16	3						
<b>Gold Fields Revenue,—</b>									
Balance on 30th June, 1877 ... ..	£2,865	12	9						
Receipts ... ..	21,424	0	5						
				24,289	13	2			
<b>Gold Duty,—</b>									
Balance on 30th June, 1877 ... ..	£3,732	10	5						
Receipts ... ..	36,823	5	8						
				40,555	16	1			
<b>Counties Separate Account,—</b>									
Balance on 30th June, 1877 ... ..	£12,641	18	9						
Receipts ... ..	490,389	17	5						
				503,031	16	2			
							719,243	18	6
<b>DEPOSITS</b> ... ..							171,058	13	6
									890,302
									12
									0
Total Receipts ... ..	...	...	...	...	...	...	6,228,026	15	2
<b>Balance on 30th June, 1877,—</b>									
Cash in the Public Account ... ..	...	...	...	...	...	...	33,159	11	7
<b>Advances to be accounted for,—</b>									
Imprestees in the Colony ... ..	28,233	4	1						
Agent-General ... ..	18,664	17	2						
				46,898	1	3			
									80,057
									12
									10
Total ... ..	...	...	...	...	...	...	£6,308,084	8	0
<b>PUBLIC WORKS ACCOUNT.</b>									
<b>FINANCIAL YEAR 1877-78,—</b>									
Temporary Advances obtained on security of Guaranteed Debentures ... ..	375,000	0	0						
Transfer from New Zealand Loan of 1876 ... ..	48,051	3	11						
				423,051	3	11			
Temporary Advances to Consolidated Fund repaid ... ..	...	...	...	300,000	0	0			
Sales of Allotments of Land ... ..	...	...	...	1,641	7	0			
<b>Bills Payable,—</b>									
Drafts on Crown Agents on account of proceeds of Loan of 1877 ... ..	...	...	...	450,000	0	0	1,174,692	10	11
<b>Balance on 30th June, 1877,—</b>									
Cash in the Public Account ... ..	...	...	...	...	...	...	519,548	0	5
<b>Advances to be accounted for,—</b>									
Colonial ... ..	21,306	9	3						
Foreign ... ..	112,135	3	5						
				133,441	12	8			
									652,989
									13
									1
Carried forward ... ..	...	...	...	...	...	...	1,827,682	4	0

C—continued.

ACCOUNT for the FINANCIAL YEAR ended 30th June, 1878.

	£	s.	d.	£	s.	d.	£	s.	d.
EXPENDITURE.									
Brought forward	...	...	...	3,755,549	6	3	77,512	5	0
CONSOLIDATED FUND—continued.									
FINANCIAL YEAR 1877-78—continued.									
PROVINCIAL LIABILITIES,—									
Expenditure under Votes	...	...	...	323,109	0	0			
In excess of Votes	...	...	...	10,078	18	10			
				333,187 18 10					
							4,088,727 5 1		
RECEIPTS IN AID,—									
Treasury Bills redeemed	...	...	...	472,000	0	0			
Temporary Advances from Public Works Account repaid	...	...	...	300,000	0	0			
							772,000 0 0		
ACCOUNTS OF LOCAL BODIES,—									
Revenue Accounts,—									
License Fees, &c...	...	...	...	55,684	11	10			
Sales, &c., of Lands made over to Local Bodies,—									
Ellesmere and Forsyth Reclamation	£12,175	15	0						
Canterbury College Reserves	81,090	0	0						
Patea Harbour Board Endowment	915	16	2						
Hokitika	58	19	2						
Bluff	296	19	0						
Conservators, Clutha River	648	12	9						
				95,186 2 1					
Gold Fields Revenue	...	...	...	23,255	6	4			
Gold Duty	...	...	...	38,899	4	3			
Counties Separate Account	...	...	...	448,449	4	4			
Advances Account,—									
Expenditure on behalf of Local Bodies, recoverable	...	...	...	666	6	4			
				662,140 15 2					
DEPOSITS									
				77,988 16 4					
							740,129 11 6		
Total Expenditure	...	...	...				5,678,379 1 7		
Balance on 30th June, 1878,—									
Cash in the Public Account,—									
Advances to be accounted for,—									
Imprestees in the Colony	...	...	...	42,656	3	4			
Agent-General	...	...	...	125,636	19	2			
				168,343 2 6					
							629,705 6 5		
Total	...	...	...				£6,308,084 8 0		
PUBLIC WORKS ACCOUNT.									
FINANCIAL YEAR 1877-78,—									
Class	I.—Immigration	...	...	116,227	16	9			
"	II.—Public Works Department	...	...	16,222	14	2			
"	III.—Railways	...	...	713,469	1	3			
"	IV.—Roads	...	...	33,953	11	0			
"	V.—Land Purchases, North Island	...	...	46,132	9	11			
"	VI.—Waterworks on Gold Fields	...	...	39,645	17	7			
"	VII.—Coal Mines	...	...	574	19	4			
"	VIII.—Telegraph Extension	...	...	33,182	2	10			
"	IX.—Public Buildings	...	...	105,167	13	3			
"	X.—Lighthouses	...	...	18,310	16	2			
"	XI.—Miscellaneous Public Works	...	...	44,696	3	3			
				1,167,583 5 6					
Less in excess of Votes	...	...	...	11,055	6	0			
				1,156,527 19 6					
Charges and Expenses of raising Loans	...	...	...				2,404	18	4
Unauthorized Expenditure,—									
In excess of Votes	...	...	...	11,055	6	0			
For Services not provided for	...	...	...	4,775	13	6			
				15,830 19 6					
Carried forward	...	...	...				1,174,763 17 4		

Table

## STATEMENT of RECEIPTS and EXPENDITURE of the PUBLIC

RECEIPTS.	£	s.	d.	£	s.	d.	£	s.	d.
Brought forward ... ..	...	...	...	...	...	...	1,827,682	4	0
<b>PUBLIC WORKS ACCOUNT—continued.</b>									
<b>FINANCIAL YEAR 1877-78—continued.</b>									
Balance on 30th June, 1878,—									
Public Account—Nominal Overdraft* ... ..	...	...	...	356,311	13	11			
Less Advances to be accounted for ... ..									
Colonial ... ..	29,868	8	1						
Foreign ... ..	126,392	0	4						
				156,260	8	5			
							200,051	5	6
<b>Total ... ..</b>							<b>£2,027,733</b>	<b>9</b>	<b>6</b>
<b>ACCOUNTS CLOSED BY THE OPERATION OF "THE PUBLIC REVENUES ACT, 1877."</b>									
<b>SPECIAL FUNDS:—</b>									
<b>CONSOLIDATED LOAN ACT, 1867,—</b>									
Balance on 30th June, 1877 ... ..							37,632	0	8
<b>DEFENCE AND OTHER PURPOSES LOAN ACT, 1870,—</b>									
Balance on 30th June, 1877 ... ..							35,416	18	9
<b>WELLINGTON DEBTS ACT 1872 REDEMPTION ACCOUNT,—</b>									
Sales of Land ... ..	3,384	11	10						
Balance on 30th June, 1877 ... ..	2,059	9	11				5,444	1	9
<b>NORTH OTAGO DISTRICT PUBLIC WORKS LOAN ACT, 1872,—</b>									
Sales of Land, &c. ... ..	9,146	8	8						
Balance on 30th June, 1877 ... ..	540	3	4				9,686	12	0
<b>WESTLAND LOAN ACT 1873 REDEMPTION ACCOUNT,—</b>									
Sales of Land ... ..	53	15	0						
Balance on 30th June, 1877 ... ..	425	3	3				478	18	3
<b>STATE FORESTS ACCOUNT,—</b>									
Balance on 30th June, 1877 ... ..							2,226	13	3
<b>NEW ZEALAND LOAN ACT, 1876,—</b>									
Balance on 30th June, 1877 ... ..							59,901	11	11
<b>NEW PLYMOUTH HARBOUR BOARD ENDOWMENT ACCOUNT,—</b>									
Receipts ... ..							1,688	9	6
<b>PROVINCIAL LIABILITIES ACCOUNT,—</b>									
Balance on 30th June, 1877 ... ..							45,888	3	8
<b>COUNTIES SEPARATE ACCOUNT,—</b>									
Balance on 30th June, 1877 ... ..							12,641	18	9
<b>GOLD FIELDS REVENUE ACCOUNT,—</b>									
Balance on 30th June, 1877 ... ..							2,865	12	9
<b>GOLD DUTY ACCOUNT,—</b>									
Balance on 30th June, 1877 ... ..							3,732	10	5
<b>WAITARA BRIDGE ENDOWMENT ACCOUNT,—</b>									
Rent ... ..	2	10	0						
Balance on 30th June, 1877 ... ..	9	0	0				11	10	0
<b>Total Special Funds ... ..</b>							<b>£217,615</b>	<b>1</b>	<b>8</b>

\* Covered by proceeds of New Zealand Loan of 1877 not yet brought to account.

C—continued.

ACCOUNT for the FINANCIAL YEAR ended 30th June, 1878.

EXPENDITURE.	£	s.	d.	£	s.	d.	£	s.	d.
Brought forward ... ..	...	...	...	1,174,763	17	4			
<b>PUBLIC WORKS ACCOUNT.</b>									
<i>FINANCIAL YEAR 1877-78—continued.</i>									
Proceeds of Sales of Allotments of Land, transferred as under,—									
To Vote for Immigration ... ..	2,279	7	10						
To Provincial Liabilities, Wellington ... ..	377	15	10						
To Land Revenue, Wellington ... ..	312	8	6						
				2,969	12	2			
Temporary Advances to Consolidated Fund, under section 4 of “The Public Revenues Act, 1876” ... ..				300,000	0	0			
Repayment of Temporary Advances obtained on security of Guaranteed Debentures ... ..				100,000	0	0			
Bills Payable,— Drafts on Crown Agents retired ... ..				450,000	0	0			
							2,027,733	9	6
Total ... ..							£2,027,733	9	6
<b>ACCOUNTS CLOSED BY THE OPERATION OF “THE PUBLIC REVENUES ACT, 1877.”</b>									
<b>SPECIAL FUNDS:—</b>									
CONSOLIDATED LOAN ACT, 1867,— Transferred to the Consolidated Fund ... ..				37,632	0	8			
DEFENCE AND OTHER PURPOSES LOAN ACT, 1870,— Transferred to the Consolidated Fund ... ..				35,416	18	9			
WELLINGTON DEBTS ACT 1872 REDEMPTION ACCOUNT,— Paid over to the Commissioners of the Public Debts Sinking Funds ... ..				5,444	1	9			
NORTH OTAGO DISTRICT PUBLIC WORKS LOAN ACT, 1872,— Paid over to the Commissioners of the Public Debts Sinking Funds ... ..				9,686	12	0			
WESTLAND LOAN ACT 1873 REDEMPTION ACCOUNT,— Paid over to the Commissioners of the Public Debts Sinking Funds ... ..				478	18	3			
STATE FORESTS ACCOUNT,— Transferred to the Consolidated Fund ... ..				2,226	13	3			
NEW ZEALAND LOAN ACT, 1876,— Transfers,— To Consolidated Fund for Provincial Liabilities ... ..	11,850	8	0						
To Public Works Account ... ..	48,051	3	11						
				59,901	11	11			
NEW PLYMOUTH HARBOUR BOARD ENDOWMENT ACCOUNT,— Preliminary Survey of New Plymouth Harbour ... ..	752	13	11						
Balance transferred to Deposits, Consolidated Fund ... ..	935	15	7						
				1,688	9	6			
PROVINCIAL LIABILITIES ACCOUNT,— Transferred to the Consolidated Fund ... ..				45,888	3	8			
COUNTIES SEPARATE ACCOUNT,— Transferred to the Consolidated Fund ... ..				12,641	18	9			
GOLD FIELDS REVENUE ACCOUNT,— Transferred to the Consolidated Fund ... ..				2,865	12	9			
GOLD DUTY ACCOUNT,— Transferred to the Consolidated Fund ... ..				3,732	10	5			
WAITARA BRIDGE ENDOWMENT ACCOUNT,— Transferred to Deposits, Consolidated Fund ... ..				11	10	0			
Total Special Funds ... ..							£217,615	1	8

## STATEMENT of RECEIPTS and EXPENDITURE of the PUBLIC

RECEIPTS.	£ s. d.	£ s. d.	£ s. d.
ACCOUNTS CLOSED BY THE OPERATION OF "THE PUBLIC REVENUES ACT, 1877"— <i>continued.</i>			
<b>LAND FUND ACCOUNT,—</b>			
Balance on 30th June, 1877	...	115,646 7 9	
Total Land Fund	...	...	115,646 7 9
<b>TRUST FUND:—</b>			
Deposits received	...	110,696 7 9	
<b>Investment Accounts,—</b>			
<b>General Account,—</b>			
Treasury Bills transferred to Government Insurance Account	45,300 0 0		
Balance on 31st December, 1877	680,922 10 6		
<b>Government Insurance Account,—</b>			
Treasury Bills redeemed	180,000 0 0		
Balance on 31st December, 1877	239,400 0 0		
Nelson Rifle Prize Fund Account	1,000 0 0		
		1,146,622 10 6	1,257,318 18 3
Balance on 30th June, 1877	...	...	67,115 14 11
Total Trust Fund	...	...	£1,324,434 13 2

C—continued.

ACCOUNT for the FINANCIAL YEAR ended 30th June, 1878.

EXPENDITURE.	£	s.	d.	£	s.	d.	£	s.	d.
ACCOUNTS CLOSED BY THE OPERATION OF "THE PUBLIC REVENUES ACT, 1877"—continued.									
LAND FUND ACCOUNT,—									
Transferred to Consolidated Fund ... ..	...			115,646	7	9			
Total Land Fund ... ..	...			...			£115,646	7	9
TRUST FUND,—									
Deposits withdrawn ... ..	...			84,104	3	8			
Investment Accounts,—									
Government Insurance Account,—									
Treasury Bills renewed ... ..	180,000	0	0						
Treasury Bills transferred from General Account ...	45,300	0	0						
				225,300	0	0			
Balances on 31st December, 1877, transferred to the under-mentioned Accounts,—									
Consolidated Fund Account,—									
Under section 9 of "The Appropriation Act, 1877"	35,673	9	4						
Government Insurance Account,—									
Under section 5 of "The Public Revenues Act, 1877"	241,983	4	6						
Public Trust Office,—									
Under section 6 of "The Public Revenues Act, 1877"	23,356	1	3						
Post Office Account,—									
Under section 4 of "The Public Revenues Act, 1877"	714,017	14	5						
				1,015,030	9	6			
Total Trust Fund ... ..	...			...			£1,324,434	13	2

Table D.

STATEMENT showing the TOTAL EXPENDITURE of the CONSOLIDATED FUND for the Financial Year 1877-8, with a comparison of the sums voted and expended in each Class.

	NET EXPENDITURE.			ESTIMATED EXPENDITURE.			DIFFERENCES.					
	£	s.	d.	£	s.	d.	In Excess of Estimate.			Less than Estimate.		
Civil List ... ..	25,920	17	7	29,750	0	0	...	...	...	3,829	2	5
Interest and Sinking Fund ... ..	1,077,633	0	3	1,116,191	9	11	...	...	...	38,558	9	8
Under Special Acts of the Legislature ... ..	42,369	14	1	34,946	0	8	7,423	13	5	...	...	...
Subsidies to Local Bodies ... ..	158,870	19	4	130,000	0	0	28,870	19	4	...	...	...
Appropriations,—												
Class I.—Public Departments ... ..	195,484	9	8	204,444	12	0	...	...	...	8,960	2	4
II.—Law and Justice ... ..	142,073	0	11	139,745	3	7	2,327	17	4	...	...	...
III.—Postal and Telegraphic ... ..	215,956	19	1	232,325	0	0	...	...	...	16,368	0	11
IV.—Customs ... ..	72,541	18	2	80,614	19	7	...	...	...	8,073	1	5
V.—Education ... ..	194,048	18	8	164,787	0	0	29,261	18	8	...	...	...
VI.—Native ... ..	35,506	13	11	33,963	19	7	1,542	14	4	...	...	...
VII.—Militia and Volunteers ... ..	24,641	13	11	31,322	12	10	...	...	...	6,680	18	11
VIII.—Constabulary and Defence ... ..	132,602	11	0	138,625	10	0	...	...	...	6,022	19	0
IX.—Public Domains and Buildings ... ..	26,066	13	5	28,869	4	0	...	...	...	2,802	10	7
X.—Railways ... ..	381,307	12	8	434,393	0	0	...	...	...	53,085	7	4
XI.—Miscellaneous ... ..	61,905	7	3	124,234	14	6	...	...	...	62,329	7	3
Roads in Native Districts, North Island ... ..	5,720	15	11	12,000	0	0	...	...	...	6,279	4	1
Lands and Surveys ... ..	218,937	15	5	269,975	3	3	...	...	...	51,037	7	10
Services not provided for ... ..	18,652	10	9	...	...	...	18,652	10	9	...	...	...
Total Ordinary Expenditure ... ..	3,030,241	12	0	3,206,188	9	11	88,079	13	10	264,026	11	9
Land Revenue,—												
Twenty per cent. paid to Counties ... ..	42,175	15	5	...	...	...	...	...	...	...	...	...
One-third of Sales on Deferred Payments ... ..	123	15	6	...	...	...	...	...	...	...	...	...
New Plymouth Harbour Board ... ..	2,283	14	2	...	...	...	...	...	...	...	...	...
Board of Education, Nelson ... ..	46	12	7	...	...	...	...	...	...	...	...	...
Railway Stores and Workshops ... ..	62,199	13	7	...	...	...	...	...	...	...	...	...
Redemption of Debentures ... ..	2,000	0	0	...	...	...	...	...	...	...	...	...
Repayment of advance on Lyttelton Harbour Loan Debentures ... ..	100,000	0	0	...	...	...	...	...	...	...	...	...
Land Revenue transferred to Provincial Liabilities... ..	3,080	16	8	...	...	...	...	...	...	...	...	...
Advances to Land Fund repaid ... ..	47,500	0	0	...	...	...	...	...	...	...	...	...
Surplus Land Revenue ... ..	465,093	14	6	...	...	...	...	...	...	...	...	...
Ditto overpaid to County of Vincent ... ..	340	19	10	...	...	...	...	...	...	...	...	...
Bank of Issue, winding-up Account ... ..	462	12	0	...	...	...	...	...	...	...	...	...
Local Bodies,—	3,755,549	6	3	...	...	...	...	...	...	...	...	...
Sales of Lands ... ..	95,186	2	1	...	...	...	...	...	...	...	...	...
License Fees, &c. ... ..	55,684	11	10	...	...	...	...	...	...	...	...	...
Advances recoverable ... ..	666	6	4	...	...	...	...	...	...	...	...	...
Gold Fields Revenue ... ..	23,255	6	4	...	...	...	...	...	...	...	...	...
Gold Duty ... ..	38,899	4	3	...	...	...	...	...	...	...	...	...
Provincial Liabilities ... ..	3,969,240	17	1	...	...	...	...	...	...	...	...	...
Total Expenditure ... ..	4,302,428	15	11	3,534,035	8	8	93,420	13	11	264,026	11	9

Table E.

COMPARATIVE STATEMENT OF THE ESTIMATED AND ACTUAL REVENUES OF THE COLONY FOR THE FINANCIAL YEAR 1877-78.

	ESTIMATED.		ACTUAL.		DIFFERENCES.			
					In Excess of Estimate.		Less than Estimated.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
ORDINARY REVENUE,—								
Raised by Taxation,—								
Customs ... ..	1,200,000	0 0	1,272,961	5 3	72,961	5 3	...	...
Stamps ... ..	124,000	0 0	151,068	16 9	27,068	16 9	...	...
Receipts for Services rendered,—								
Railways ... ..	600,450	0 0	546,458	12 10	...	...	53,991	7 2
Postal ... ..	107,000	0 0	113,358	8 10	6,358	8 10	...	...
Telegraphic ... ..	70,000	0 0	72,361	1 7	2,361	1 7	...	...
Judicial ... ..	53,000	0 0	46,797	10 7	...	...	6,202	9 5
Land Transfer ... ..	29,500	0 0	36,578	3 9	7,078	3 9	...	...
Registration and other Fees ... ..	34,210	0 0	27,603	0 8	...	...	6,606	19 4
Marine ... ..	18,000	0 0	19,491	11 4	1,491	11 4	...	...
Miscellaneous ... ..	27,000	0 0	42,074	4 0	15,074	4 0	...	...
Totals, Ordinary Revenue ... ..	2,263,160	0 0	2,328,752	15 7	132,393	11 6	66,800	15 11
Net amount in excess of Estimate	...	...	...	...	65,592	15 7	...	...
TERRITORIAL REVENUE,—								
Land Sales ... ..	743,000	0 0	1,440,824	4 5	697,824	4 5	...	...
Depasturing Licenses and Assessments ... ..	147,525	0 0	{ 94,224 2 2 }	{ ... }	{ ... }	{ ... }	1,786	5 0
Miscellaneous ... ..	...	...	{ 51,514 12 10 }	{ ... }	{ ... }	{ ... }	...	...
Totals, Territorial Revenue ... ..	890,525	0 0	1,586,562	19 5	697,824	4 5	1,786	5 0
Net amount in excess of Estimate	...	...	...	...	696,037	19 5	...	...
ORDINARY REVENUE (as above) ... ..	2,263,160	0 0	2,328,752	15 7	65,592	15 7	...	...
TERRITORIAL REVENUE " ... ..	890,525	0 0	1,586,562	19 5	696,037	19 5	...	...
REVENUES OF LOCAL BODIES,—								
Fees, &c. ... ..	*56,045	16 10	56,045	16 10	...	...	...	...
From Lands handed over ... ..	*95,320	16 3	95,320	16 3	...	...	...	...
Gold Fields Revenue ... ..	38,000	0 0	21,424	0 5	...	...	16,575	19 7
Gold Duty ... ..	34,000	0 0	36,823	5 8	2,823	5 8	...	...
TOTALS ... ..	3,377,051	13 1	4,124,929	14 2	764,454	0 8	16,575	19 7
Total, net amount in excess of Estimate	...	...	...	...	747,878	1 1	...	...

\* No estimate was made of the receipts from these sources; but for the purposes of this Statement the amounts actually received are here inserted.

Table F.

COMPARATIVE STATEMENT OF THE ACTUAL REVENUES OF THE COLONY FOR THE FINANCIAL YEARS 1876-77 AND 1877-78.

	1876-77.			1877-78.			INCREASE.			DECREASE.		
	£	s.	d.									
<b>ORDINARY REVENUE,—</b>												
Raised by Taxation,—												
Customs ... ..	1,199,378	15	0	1,272,961	5	3	73,582	10	3	...	...	...
Stamps ... ..	122,670	18	9	151,068	16	9	28,397	18	0	...	...	...
Receipts for Services rendered,—												
Railways ... ..	285,220	3	10	546,458	12	10	261,238	9	0	...	...	...
Postal ... ..	86,547	14	0	113,358	8	10	26,810	14	10	...	...	...
Telegraphic ... ..	63,983	13	1	72,361	1	7	8,377	8	6	...	...	...
Judicial ... ..	*47,736	17	2	46,797	10	7	...	...	...	939	6	7
Land Transfer ... ..	30,129	7	11	36,578	3	9	6,448	15	10	...	...	...
Registration and other Fees ... ..	24,686	14	9	27,603	0	8	2,916	5	11	...	...	...
Marine ... ..	16,927	16	3	19,491	11	4	2,563	15	1	...	...	...
Miscellaneous ... ..	27,552	0	3	42,974	4	0	14,522	3	9	...	...	...
Totals, Ordinary Revenue ... ..	1,904,834	1	0	2,328,752	15	7	424,858	1	2	939	6	7
							939	6	7			
Net increase ... ..	...	...	...	...	...	...	423,918	14	7			
<b>TERRITORIAL REVENUE,—</b>												
Land Sales ... ..	870,819	8	7	1,440,824	4	5	570,004	15	10	...	...	...
Depasturing Licenses, &c. ... ..	98,834	16	1	94,224	2	2	...	...	...	4,610	13	11
Miscellaneous ... ..	36,201	8	5	51,514	12	10	15,313	4	5	...	...	...
Totals, Territorial Revenue ... ..	1,005,855	13	1	1,586,562	19	5	585,318	0	3	4,610	13	11
							4,610	13	11			
Net increase ... ..	...	...	...	...	...	...	580,707	6	4			
ORDINARY REVENUE (as above) ... ..	1,904,834	1	0	2,328,752	15	7	423,918	14	7	...	...	...
TERRITORIAL REVENUE „ ... ..	1,005,855	13	1	1,586,562	19	5	580,707	6	4	...	...	...
REVENUES OF LOCAL BODIES,—												
Fees, &c. ... ..	45,102	7	1	56,045	16	10	10,943	9	9	...	...	...
From Lands handed over ... ..	18,026	13	6	95,320	16	3	77,294	2	9	...	...	...
Gold Fields Revenue ... ..	37,145	0	10	21,424	0	5	...	...	...	15,721	0	5
Gold Duty ... ..	33,555	11	11	36,823	5	8	3,267	13	9	...	...	...
Totals ... ..	3,044,519	7	5	4,124,929	14	2	1,096,131	7	2	15,721	0	5
							15,721	0	5			
Total Net Increase ... ..	...	...	...	...	...	...	1,080,410	6	9			

\* Inclusive of £5,031 6s. 11d., Fees and Duties under the Native Lands Act.

Table G.

STATEMENT OF THE CONSOLIDATED and LAND REVENUE (exclusive of Gold Fields Revenue) received during the Nine Years commencing 1869-70.

Financial Year.	Consolidated Revenue.			Land Revenue.			Total.		
	£	s.	d.	£	s.	d.	£	s.	d.
1869-70	1,048,175	0	7	209,623	3	6	1,257,798	4	1
1870-71	936,188	5	10	208,091	5	0	1,144,279	10	10
1871-72	1,031,082	18	7	336,311	0	6	1,367,393	19	1
1872-73	1,119,904	3	4	889,642	14	1	2,009,546	17	5
1873-74	1,420,216	17	3	1,066,744	7	3	2,486,961	4	6
1874-75	1,605,002	16	5	773,205	17	9	2,378,268	14	2
1875-76	1,703,190	3	11	857,990	18	1	2,561,181	2	0
1876-77	1,904,834	1	0	1,005,855	13	1	2,910,689	14	1
1877-78	2,328,752	15	7	1,586,562	19	5	3,915,315	15	0

Table H.

STATEMENT showing the NET EXPENDITURE of the CONSOLIDATED FUND, as compared with the Sums voted for the Financial Year 1877-78, under "The Appropriation Act, 1877."

ITEMS	EXPENDED.		EXPENDED IN EXCESS.
	EXPENDITURE.	CREDITS.	
	£ s. d.	£ s. d.	£ s. d.
<b>LIABILITIES OF 1876-77.</b>			
1	145 3 11	...	75 0 0
2	659 5 4	...	450 0 0
3	41 15 1	...	50 0 0
4	788 10 10	...	450 0 0
5	180 1 9	...	165 0 0
6	1,144 17 1	...	1,100 0 0
7	24 12 6	...	25 0 0
8	46 12 3	3 10 0	50 0 0
9	2,748 2 7	84 13 7	2,500 0 0
10	6,732 13 0	45 5 6	6,000 0 0
11	85 3 7	10 6 0	90 0 0
12	122 17 10	...	130 0 0
13	1,014 13 8	...	800 0 0
14	64 16 11	...	60 0 0
15	500 8 9	...	500 0 0
16	472 5 4	...	350 0 0
17	674 19 5	...	550 0 0
18	1,687 6 8	...	1,600 0 0
19	267 14 5	...	275 0 0
20	304 1 3	...	300 0 0
21	7,024 12 0	50 14 0	6,000 0 0
22	2,928 4 10	630 9 9	1,800 0 0
23	275 4 10	...	350 0 0
24	2,160 4 4	...	2,500 0 0
25	2,764 0 7	12 0 0	2,500 0 0
26	1,408 6 0	...	1,300 0 0
27	545 13 10	...	350 0 0
28	16,038 17 8	175 3 6	15,500 0 0
29	496 17 11	...	500 0 0
30	4,817 8 4	1,000 5 6	4,500 0 0
31	13,415 18 4	7,068 17 4	10,500 0 0
32	3,801 4 0	5 5 9	2,750 0 0
33	46 16 3	46 16 3	300 0 0
	73,429 12 1	9,135 12 2	64,370 0 0
		64,293 19 11	76 0 1
			...
			...

**Table H—continued.**

STATEMENT showing the NET EXPENDITURE, &c.—continued.

Vote No.	EXPENDED.										VOTED.	AMOUNT UNEXPENDED.	EXPENDED IN EXCESS.			
	EXPENDITURE.			CREDITS.			NET EXPENDITURE.									
	£	s.	d.	£	s.	d.	£	s.	d.	£				s.	d.	£
<b>FINANCIAL YEAR 1877-78.</b>																
<b>CLASS I.—PUBLIC DEPARTMENTS:—</b>																
2	39,005	12	2	3	0	0	39,002	12	2	2	37,999	0	0	1,008	12	2
3	30,814	19	11	436	19	2	30,378	0	9	0	32,584	0	0	2,205	19	3
4	4,486	13	4	6	5	0	4,480	8	4	0	4,517	10	0	37	1	8
5	13,968	7	5	855	11	4	13,112	16	1	0	12,527	10	0	585	6	1
6	3,574	16	9	...	...	...	3,574	16	9	0	3,450	0	0	124	16	9
7	4,369	16	2	...	...	...	4,369	16	2	0	5,090	0	0	720	3	10
8	15,621	10	8	...	...	...	15,621	10	8	0	23,694	15	0	8,073	4	4
9	1,763	8	5	...	...	...	1,763	8	5	0	2,100	0	0	336	11	7
10	33,077	6	4	3,854	8	6	29,222	17	10	0	32,481	17	0	3,258	19	2
11	56,041	17	0	2,083	14	6	53,958	2	6	0	50,000	0	0	3,958	2	6
	202,724	8	2	7,239	18	6	195,484	9	8	0	204,444	12	0	14,631	19	10
	Total Class I.															
<b>CLASS II.—LAW AND JUSTICE:—</b>																
12	1,307	4	0	...	...	...	1,307	4	0	0	1,320	0	0	12	16	0
13	2,108	13	4	91	13	4	2,017	0	0	0	2,010	0	0	...	...	...
14	350	0	0	...	...	...	350	0	0	0	350	0	0	...	...	...
15	8,293	10	10	...	...	...	8,293	10	10	0	7,661	0	0	632	10	10
16	5,807	10	3	...	...	...	5,807	10	3	0	5,550	0	0	257	10	3
17	43,265	4	11	46	7	0	43,219	17	11	6	43,413	11	6	193	13	7
18	140	15	9	...	...	...	140	15	9	0	200	0	0	...	...	...
19	9,244	14	7	...	...	...	9,240	17	7	0	8,600	0	0	640	17	7
20	2,324	15	0	...	...	...	2,314	10	0	0	2,200	0	0	114	10	0
21	3,428	13	2	...	...	...	3,414	18	2	0	2,000	0	0	1,414	18	2
22	8,551	11	6	...	...	...	8,551	11	6	0	7,182	9	7	1,369	1	11
23	41,360	0	8	2,912	2	3	38,447	18	5	0	40,998	2	6	2,550	4	1
24	9,005	14	9	...	...	...	9,005	14	9	0	9,060	0	0	54	5	3
25	9,961	11	9	...	...	...	9,961	11	9	0	9,200	0	0	761	11	9
	145,151	0	6	3,077	19	7	142,073	0	11	0	139,745	3	7	2,870	3	2
	Total Class II.															
<b>CLASS III.—POSTAL AND TELEGRAPHIC:—</b>																
26	127,118	13	9	729	1	11	126,389	11	10	0	141,418	0	0	15,028	8	2
27	84,985	2	1	626	1	6	84,359	0	7	0	85,667	0	0	1,307	19	5
28	5,208	6	8	...	...	...	5,208	6	8	0	5,240	0	0	31	13	4
	217,312	2	6	1,355	3	5	215,956	19	1	0	232,325	0	0	16,368	0	11
	Total Class III.															

**Table H—continued.**  
STATEMENT showing the NET EXPENDITURE &c.—continued.

Vote No.		EXPENDED.		VOTED.	AMOUNT UNEXPENDED.	EXPENDED IN EXCESS.
		Net Expenditure.				
		Expenditure.	Credits.			
29	CLASS IV.—CUSTOMS DEPARTMENT :—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
30	Customs ... ..	39,186 8 5	51 17 10	41,103 16 6	1,969 5 11	...
	Marine ... ..	83,742 18 5	335 10 10	39,511 3 1	6,103 15 6	...
	Total Class IV. ... ..	72,929 6 10	387 8 8	80,614 19 7	8,073 1 5	...
31	CLASS V.—EDUCATION :—					
	Education ... ..	194,048 18 8	...	164,787 0 0	...	29,261 18 8
	Total Class V. ... ..	194,048 18 8	...	164,787 0 0	...	29,261 18 8
32	CLASS VI.—NATIVE DEPARTMENT :—					
33	Salaries and Contingencies ... ..	23,348 4 0	96 14 3	23,251 9 9	...	2,929 3 6
34	Native Schools ... ..	12,012 3 0	296 3 2	11,715 19 10	1,355 13 6	...
35	“Native Lands Frauds Prevention Act, 1870” ... ..	348 0 3	...	348 0 3	71 19 9	...
	Wairarapa 5 per cent. Land Purchase Account ... ..	191 4 1	...	150 0 0	...	41 4 1
	Total Class VI. ... ..	35,899 11 4	392 17 5	33,963 19 7	1,427 13 8	2,970 7 7
36	CLASS VII.—MILITIA AND VOLUNTEERS :—					
	Militia and Volunteers ... ..	25,095 11 11	453 18 0	31,322 12 10	6,080 18 11	...
	Total Class VII. ... ..	25,095 11 11	453 18 0	31,322 12 10	6,080 18 11	...
37	CLASS VIII.—CONSTABULARY AND DEFENCE :—					
38	Constabulary ... ..	133,271 8 6	3,855 9 0	133,025 10 0	4,209 10 6	...
	Contingent Defence ... ..	3,278 5 2	91 13 8	5,000 0 0	1,813 8 6	...
	Total Class VIII. ... ..	136,549 13 8	3,947 2 8	138,025 10 0	6,022 19 0	...
39	CLASS IX.—PUBLIC DOMAINS AND BUILDINGS :—					
40	Government Domains ... ..	1,144 0 11	...	1,191 4 0	47 3 1	...
41	Public Buildings ... ..	23,539 7 3	25 9 5	25,628 0 0	2,114 2 2	...
	Office of the Colonial Architect ... ..	1,408 14 8	...	2,050 0 0	641 5 4	...
	Total Class IX. ... ..	26,092 2 10	25 9 5	28,869 4 0	2,802 10 7	...

**Table H—continued.**  
STATEMENT showing the NET EXPENDITURE, &c.—continued.

Vote No.	EXPENDED.			EXPENDED IN EXCESS.			
	EXPENDITURE.		Net Expenditure.	VOTED.		AMOUNT UNEXPENDED.	
	£	s. d.		£	s. d.		
42	CLASS X.—RAILWAYS:—	...	...	...	...	...	
	Railways	383,462	7 10	2,154	15 2	381,307	12 8
	Total Class X.	383,462	7 10	2,154	15 2	381,307	12 8
43	CLASS XI.—MISCELLANEOUS, SPECIAL, AND TEMPORARY OBJECTS:—	...	...	...	...	...	...
44	Miscellaneous, Special, and Temporary Objects...	50,994	10 1	1,224	0 10	49,770	9 3
45	Exchange and Commission	6,834	18 0	200	0 0	6,634	18 0
46	Museum	500	0 0	...	...	500	0 0
	Public Libraries	5,000	0 0	...	...	5,000	0 0
	Total Class XI.	63,329	8 1	1,424	0 10	61,905	7 3
47	ROADS IN NATIVE DISTRICTS, NORTH ISLAND	5,736	13 0	15	17 1	5,720	15 11
	Total Roads in Native Districts, North Island	5,736	13 0	15	17 1	5,720	15 11
48	PROVINCIAL LIABILITIES:—	442	3 0	...	...	442	3 0
49	Auckland	2,412	13 11	...	...	2,412	13 11
50	Taranaki	5,000	0 0	...	...	5,000	0 0
51	Wellington	5	0 0	...	...	5	0 0
52	Nelson	31	3 6	...	...	31	3 6
53	Canterbury	264	2 8	...	...	264	2 8
54	Westland	11,954	0 6	...	...	11,954	0 6
55	Orago	327,382	7 0	14,303	11 9	313,078	15 3
56	Auckland and other Provincial Districts	347,491	10 7	14,303	11 9	333,187	18 10
57	Total Provincial Liabilities Account	347,491	10 7	14,303	11 9	333,187	18 10
		62,370	10 3	124,234	14 6	62,370	10 3
		6,279	4 1	12,000	0 0	6,279	4 1
		6,279	4 1	12,000	0 0	6,279	4 1
		505	0 0	947	3 0	505	0 0
		457	6 1	2,870	0 0	457	6 1
		2,000	0 0	47,000	0 0	2,000	0 0
		45	0 0	50	0 0	45	0 0
		518	16 6	550	0 0	518	16 6
		110	13 11	374	16 7	110	13 11
		1,100	18 8	13,054	19 2	1,100	18 8
		...	...	3303,000	0 0	...	...
		10,078	15 3	327,846	18 9	10,078	15 3
		10,078	15 3	327,846	18 9	10,078	15 3

\* The sum voted was £113,640 19s. 6d.; but this sum has been reduced by £1,500, transferred to Vote 44 under an Order in Council, *vide* section 30 of "The Public Revenues Act, 1867."  
 † Inclusive of the £1,500 above referred to.  
 ‡ The sum voted was £10,000; but this sum has been reduced by £3,000, transferred to Vote 57 under an Order in Council, *vide* section 30 of "The Public Revenues Act, 1867."  
 § Inclusive of the £3,000 above referred to.



Table I.

STATEMENT of the UNAUTHORIZED EXPENDITURE of the CONSOLIDATED FUND for the FINANCIAL YEAR ended 30th JUNE, 1878.

	£	s.	d.	£	s.	d.	£	s.	d.
FOR SERVICES NOT PROVIDED FOR:—									
SUBSIDIES TO LOCAL BODIES:—									
Counties,—									
Buller	£347	15	6						
Hokianga	75	3	11						
Lake	1,333	12	4						
Maniototo	1,428	1	0						
Tuapeka	1,479	11	4						
Vincent	1,621	12	1						
Waimate	3,962	13	4						
Wairoa	549	19	8						
				10,798	9	2			
Road Boards,—									
Tuapeka	473	19	10						
Waitahuna	162	16	4						
				636	16	2			
Township of Inglewood				65	9	10			
							11,500	15	2
MISCELLANEOUS:—									
Running expenses of s.s. steamer "Hinemoa"							3,464	3	6
Inspection of New Zealand Harbours,—									
Payment to Sir J. Coode	1,000	0	0						
Travelling expenses	37	13	3						
Taking soundings, Westport Roadstead	40	0	0						
							1,077	13	3
Great South and other Roads in the Auckland District, repairs, collection of tolls, &c.									
							548	19	11
Compensation for loss of office,—									
Goods Managers, Canterbury Railways	612	14	6						
Wardens, Dunedin Gaol	20	12	4						
Messenger, Government House...	97	10	0						
							730	16	10
Platlayer, Foxton Railway, compensation for injuries received...							10	0	0
Mrs. E. Deck, half-pension of her late husband, P. A. Deck, June quarter, 1878							6	0	0
Housekeeper, Parliament Buildings, salary from 4th December to 30th June, 1878							143	16	4
Grants in aid to St. Mary's School, Nelson							294	10	0
Grant in aid to Board of Wardens, Waitahuna							20	0	0
Conveyance of Volunteers, &c., to Richmond							14	5	0
Refund of fee on inspection of Steam Fire-engine, Christchurch							2	0	0
Carriage of Deer by rail for the Acclimatization Society, Auckland							1	15	9
Expenses of inquiry in connection with Volunteer Engineer Militia, Thames							210	0	0
Payment to Ruhi and Aporo Hare, in settlement of all claims of the late Hui Te Miha to land in the Middle Island							100	0	0
Lessee of Newmarket Slaughterhouse, compensation for infringement of lease							50	0	0
Captain T. Logan, s.s. "Hero," compensation in connection with proceedings re breach of Passenger Act							200	0	0
Lithofracteur for Martin's Bay							79	11	6
Expenses connected with exhibits, Paris Exhibition							8	10	6
Amounts written off,—									
Balance of Imprest Account, E. H. Bold	0	9	11						
" W. B. D. Mantell	25	3	6						
" Late J. G. Johnson	4	4	6						
Amount owing to Railway Department by Dunedin Jockey Club	10	2	6						
Bank note lost by Railway Department in transmission from Auckland to Wellington	20	0	0						
							60	0	5
Travelling expenses of Mr. H. T. Clarke, attending sitting of Supreme Court, Dunedin							12	17	6
Extra mileage paid to witnesses attending sitting of Supreme Court, Nelson							20	11	0
Rent of land leased under "The Sawyer's Bay Lands Leasing Ordinance, 1874," for the use of Friendly Societies, half-year to 1st March, 1877							10	7	6
Payments to the Public Trustee, to satisfy claims on the under-mentioned intestate estates transferred to Revenue,—									
Estate of Giuseppe della Vedova	19	7	4						
" John Jones	13	9	7						
" John Lavery	25	19	9						
							58	16	8
Carried forward							18,625	10	10





Table K.

STATEMENT OF BALANCES at CREDIT of ACCOUNTS OF LOCAL BODIES on 30th June, 1878.

	£	s.	d.
REVENUE ACCOUNTS—			
License Fees, &c. ... ..	361	5	0
Sales, &c. of Lands made over to Local Bodies ... ..	134	14	2
Gold Fields Revenue ... ..	1,034	6	10
Gold Duty ... ..	1,656	11	10
COUNTIES' SEPARATE ACCOUNT ... ..	54,582	11	10
ADVANCE ACCOUNT—			
Expenditure on behalf of Local Bodies, recoverable ... ..	<i>Dr.</i> 666	6	4
Total ... ..	£57,103	3	4

Table L.

STATEMENT OF BALANCES at CREDIT of DEPOSIT ACCOUNTS on 30th June, 1878.

	£	s.	d.
Armed Constabulary Reward Fund ... ..	1,823	16	1
Bay of Plenty Districts ... ..	46	5	0
Greymouth-Brunner Coal Field Railway ... ..	3,090	13	7
Hurunui-Greta Bridge ... ..	1,725	1	10
Nelson Rifle Prize Fund ... ..	923	18	7
” ” Investment ... ..	<i>Dr.</i> 1,000	0	0
Otago Educational Reserves ... ..	968	10	0
Outlying Districts Sale of Spirits Act ... ..	3	10	0
Railway Servants Fund ... ..	147	15	4
Temporary Deposits ... ..	78,500	10	1
Unclaimed Balances ... ..	2,199	16	2
Unclaimed Property ... ..	233	9	0
Waiau Sheep Dip ... ..	133	9	8
Waimakariri Bridge ... ..	680	8	0
Waitara Bridge Endowment ... ..	11	10	0
Westland Loan Act 1872 Redemption ... ..	51	16	2
Westport-Ngakawau Coal Field Railway ... ..	3,529	7	8
Total ... ..	£93,069	17	2

**Table M.**

STATEMENT showing the NET EXPENDITURE of the PUBLIC WORKS ACCOUNT as compared with the SUMS VOTED for the FINANCIAL YEAR 1877-78, under "The Immigration and Public Works Appropriation Act, 1877."

Vote No.		EXPENDED.						ESTIMATES.	AMOUNT EXPENDED.		EXPENDED IN EXCESS.								
		EXPENDITURE.			NET EXPENDITURE.				£	s. d.									
		£	s.	d.	£	s.	d.					£	s.	d.					
<b>PUBLIC WORKS ACCOUNT.</b>																			
<b>CLASS I.—IMMIGRATION :—</b>																			
64	Immigration	126,728	16	7	11,751	11	6	114,977	5	1	134,636	0	0	19,648	14	11	...	...	
65	Advances for Immigration purposes	1,746	18	11	496	7	3	1,250	11	8	14,330	13	7	13,080	1	11	...	...	
	<b>Total Class I.</b>	<b>128,475</b>	<b>15</b>	<b>6</b>	<b>12,247</b>	<b>18</b>	<b>9</b>	<b>116,227</b>	<b>16</b>	<b>9</b>	<b>148,966</b>	<b>13</b>	<b>7</b>	<b>32,728</b>	<b>16</b>	<b>10</b>	...	...	
<b>CLASS II.—PUBLIC WORKS DEPARTMENT :—</b>																			
66	Head Office	13,290	0	11	684	3	1	12,605	17	10	14,775	0	0	2,169	2	2	...	...	
67	Agent-General's Department, London	1,329	4	8	...	...	...	1,329	4	8	1,677	10	0	348	5	4	...	...	
68	Photo-Lithographic and Lithographic Branches	2,306	13	8	19	2	0	2,287	11	8	2,525	10	0	237	18	4	...	...	
	<b>Total Class II.</b>	<b>16,925</b>	<b>19</b>	<b>3</b>	<b>703</b>	<b>5</b>	<b>1</b>	<b>16,222</b>	<b>14</b>	<b>2</b>	<b>18,978</b>	<b>0</b>	<b>0</b>	<b>2,755</b>	<b>5</b>	<b>10</b>	...	...	
<b>CLASS III.—RAILWAYS :—</b>																			
69	Kawakawa	716	10	0	572	16	3	143	13	9	6113	0	0	5,969	6	3	...	...	
70	Kaipara-Punui	76,777	1	7	5,584	10	1	71,192	11	6	142,830	0	0	71,637	8	6	...	...	
71	Napier-Manawatu	30,155	18	10	1,916	1	7	28,239	17	3	75,633	0	0	47,393	2	9	...	...	
72	Wellington-Masterton	92,193	2	3	18,878	2	7	73,314	19	8	162,677	0	0	89,362	0	4	...	...	
73	Waitara-Patea	25,518	6	11	444	13	2	25,073	13	9	50,000	0	0	24,926	6	3	...	...	
74	Patea-Manawatu North	81,950	3	1	2,149	9	3	79,800	13	10	141,936	0	0	62,135	6	2	...	...	
75	Nelson-Foxhill	742	5	9	375	14	2	366	11	7	11,083	0	0	10,716	8	5	...	...	
76	Picton-Blenheim	1,764	16	3	432	0	3	1,332	16	0	29,235	0	0	27,902	4	0	...	...	
77	Brunner-Greymouth	24,789	12	11	1,070	14	10	23,723	18	1	35,006	0	0	11,277	1	11	...	...	
78	Westport-Ngakawau	29,043	10	7	399	5	3	28,644	5	4	38,234	0	0	9,589	14	8	...	...	
79	Amberley-Waitaki and Northwards	120,911	2	2	17,942	3	4	102,968	18	10	182,754	0	0	79,785	1	2	...	...	
80	Waikaki-Bluff with Branches	249,243	16	5	20,879	7	6	228,364	8	11	365,488	0	0	137,123	11	1	...	...	
81	Winton-Kingston	26,677	1	4	1,503	16	3	25,173	5	1	39,296	0	0	14,122	14	11	...	...	
82	Western Railways	15,950	3	1	2,686	10	3	13,263	12	10	37,537	0	0	24,323	7	2	...	...	
83	Surveys of New Lines and Roads	10,881	10	7	...	...	...	10,881	10	7	10,000	0	0	...	...	...	881	10	7
84	Additional Cost of Lands	3,515	13	8	2,536	9	5	979	4	3	43,208	0	0	42,228	15	9	...	...	
	<b>Total Class III.</b>	<b>790,840</b>	<b>15</b>	<b>5</b>	<b>77,371</b>	<b>14</b>	<b>2</b>	<b>713,469</b>	<b>1</b>	<b>3</b>	<b>1,371,100</b>	<b>0</b>	<b>0</b>	<b>658,512</b>	<b>9</b>	<b>4</b>	...	...	
<b>CLASS IV.—ROADS :—</b>																			
85	North Island	14,611	18	9	124	17	1	14,487	1	8	32,071	0	8	17,533	19	0	...	...	
86	Nelson South-West Gold Fields	4,679	6	1	...	...	...	4,679	6	1	17,801	5	4	13,121	19	3	...	...	
87	Westland	7,065	10	8	20	0	0	7,045	10	8	19,163	4	3	12,117	13	7	...	...	
88	Hokitike—Christchurch	7,749	9	7	7	17	0	7,741	12	7	6,000	0	0	...	...	...	1,741	12	7
	<b>Total Class IV.</b>	<b>34,106</b>	<b>5</b>	<b>1</b>	<b>152</b>	<b>14</b>	<b>1</b>	<b>33,953</b>	<b>11</b>	<b>0</b>	<b>75,035</b>	<b>10</b>	<b>3</b>	<b>42,823</b>	<b>11</b>	<b>10</b>	...	...	

**Table M—continued.**  
STATEMENT showing the NET EXPENDITURE of the PUBLIC WORKS ACCOUNT—continued.

VOTE No.	—	EXPENDED.				ESTIMATES.	AMOUNT UNEXPENDED.	EXPENDED IN EXCESS.				
		Expenditure.		Credits.					Net Expenditure.			
		£	s. d.	£	s. d.					£	s. d.	
89		PUBLIC WORKS ACCOUNT—continued.										
	CLASS V.—LAND PURCHASES, NORTH ISLAND ...	49,873	5 6	3,740	15 7	46,132	9 11	91,825	19 9	45,693	9 10	...
	Total Class V. ...	49,873	5 6	3,740	15 7	46,132	9 11	91,825	19 9	45,693	9 10	...
90	CLASS VI.—WATERWORKS ON GOLD FIELDS:—											
	Water-races, North Island ...	40,030	16 4	384	18 9	39,645	17 7	90,907	6 2	51,261	8 7	...
	Total Class VI. ...	40,030	16 4	384	18 9	39,645	17 7	90,907	6 2	51,261	8 7	...
91	CLASS VII.—COAL MINES:—											
	Prospecting and Developing Coal Mines ...	574	19 4	...	...	574	19 4	1,000	0 0	425	0 8	...
	Total Class VII. ...	574	19 4	...	...	574	19 4	1,000	0 0	425	0 8	...
92	CLASS VIII.—TELEGRAPH EXTENSION:—											
	Telegraph Extension ...	33,954	16 3	772	13 5	33,182	2 10	26,700	0 0	...	...	6,482 2 10
	Total Class VIII. ...	33,954	16 3	772	13 5	33,182	2 10	26,700	0 0	...	...	6,482 2 10
93	CLASS IX.—PUBLIC BUILDINGS:—											
	Judicial ...	6,309	1 9	...	...	6,309	1 9	33,142	0 0	26,832	18 3	...
	Postal and Telegraph ...	9,019	11 5	...	...	9,019	11 5	11,315	0 0	2,295	8 7	...
	Customs ...	3	3 9	...	...	3	3 9	1,150	0 0	1,146	16 3	...
	Offices for Public Departments ...	30,155	10 4	1	0 6	30,154	9 10	37,475	0 0	7,320	10 2	...
	Lunatic Asylums ...	4,478	8 7	...	...	4,478	8 7	41,800	0 0	37,321	11 5	...
	School Buildings ...	63,928	18 1	11,978	18 1	51,950	0 0	50,000	0 0	1,950	0 0	...
	Hospitals ...	3,252	17 11	...	...	3,252	17 11	6,000	0 0	2,747	2 1	...
	Miscellaneous ...	4	14 6	...	...	4	14 6	6,645	0 0	6,645	0 0	...
	Total Class IX. ...	117,152	6 4	11,984	13 1	105,167	13 3	187,527	0 0	84,309	6 9	1,950 0 0
101	CLASS X.—LIGHTHOUSES:—											
	Lighthouses ...	18,310	16 2	...	...	18,310	16 2	33,800	0 0	15,489	3 10	...
	Total Class X. ...	18,310	16 2	...	...	18,310	16 2	33,800	0 0	15,489	3 10	...
102	CLASS XI.—MISCELLANEOUS PUBLIC WORKS:—											
	Miscellaneous ...	44,696	3 3	...	...	44,696	3 3	247,910	0 0	203,213	16 9	...
	Total Class XI. ...	44,696	3 3	...	...	44,696	3 3	247,910	0 0	203,213	16 9	...

Table M—continued.

STATEMENT showing the NET EXPENDITURE of the PUBLIC WORKS ACCOUNT—continued.

PUBLIC WORKS ACCOUNT:— Class	SUMMARY.												EXPENDED IN EXCESS.					
	EXPENDED.						ESTIMATES.						UNEXPENDED.					
	Expenditure.		Credits.		Net Expenditure.		£		s.		d.		£		s.		d.	
I.—Immigration	128,475	15	6	12,247	18	9	116,227	16	9	148,956	13	7	32,728	16	10	...	...	
II.—Public Works, Departmental	16,925	19	3	703	5	1	16,222	14	2	18,978	0	0	2,755	5	10	...	...	
III.—Railways	790,840	15	5	77,371	14	2	713,469	1	3	1,371,100	0	0	658,512	9	4	881	10	7
IV.—Roads	34,106	5	1	152	14	1	33,953	11	0	75,035	10	3	42,823	11	10	1,741	12	7
V.—Land Purchases, North Island	49,873	5	6	3,740	15	7	46,132	9	11	91,825	19	9	45,693	9	10	...	...	
VI.—Waterworks on Gold Fields	40,030	16	4	384	18	9	39,645	17	7	90,907	6	2	51,261	8	7	...	...	
VII.—Coal Mines	574	19	4	...	...	...	574	19	4	1,000	0	0	425	0	8	...	...	
VIII.—Telegraph Extension	33,954	16	3	772	13	5	33,182	2	10	26,700	0	0	...	...	...	6,482	2	10
IX.—Public Buildings	117,152	6	4	11,384	13	1	105,167	13	3	187,527	0	0	84,309	6	9	1,950	0	0
X.—Lighthouses	18,310	16	2	...	...	...	18,310	16	2	33,900	0	0	15,489	3	10	...	...	
XI.—Miscellaneous Public Works	44,696	3	3	...	...	...	44,696	3	3	247,910	0	0	203,213	16	9	...	...	
Totals	1,274,941	18	5	107,358	12	11	1,167,583	5	6	2,293,740	9	9	1,137,212	10	3	11,055	6	0

Table N.

STATEMENT of the UNAUTHORIZED EXPENDITURE of the Public Works Account for the Financial Year ended 30th June, 1878.

		£	s.	d.	£	s.	d.	£	s.	d.
FOR SERVICES NOT PROVIDED FOR:—										
CLASS II.—PUBLIC WORKS DEPARTMENT:—										
Engineer-in-Chief's retiring allowance	...	1,054	3	4						
Superintending Engineer for Middle Island, ditto	...	637	15	7						
					1,691	18	11			
CLASS III.—RAILWAYS:—										
Exploration, Feilding, Murimotu, &c.	...				109	15	11			
CLASS IV.—ROADS, NORTH ISLAND:—										
E. H. Bold's retiring allowance	...	200	0	0						
Amount overpaid to a contractor, recoverable out of proceeds of land	...	145	16	8						
					345	16	8			
CLASS XI.—MISCELLANEOUS PUBLIC WORKS:—										
Bannockburn Bridge, purchase of	...	2,500	0	0						
Services of Mr. T. Mackay, in connection with the Westland and Nelson Coal Fields Administration Act...	...	128	2	0						
					2,628	2	0			
Total for services not provided for	...							4,775	13	6
IN EXCESS OF VOTES:—										
CLASS II.—RAILWAYS:—										
Vote No. 83—Surveys of new Lines and Roads	...	£881	10	7	270	13	10	1,152	4	5
CLASS IV.—ROADS:—										
Vote No. 88—Hokitika—Christchurch	...	1,741	12	7	...			1,741	12	7
CLASS VIII.—TELEGRAPH EXTENSION:—										
Vote No. 99—Telegraph Extension	...	6,482	2	10	5,908	0	8	12,390	3	6
CLASS IX.—PUBLIC BUILDINGS:—										
Vote No 98—School Buildings	...	1,950	0	0	...			1,950	0	0
		£11,055	6	0	6,178	14	6			
Total in excess of Votes	...							17,234	0	6
TOTAL	...							£22,009	14	0

Table O.

STATEMENT showing the Total WAYS and MEANS of the PUBLIC WORKS ACCOUNT, the Total EXPENDITURE to 30th June, 1878, and the Balance on that date available for Appropriation.

		WAYS AND MEANS.			
LOANS:—		£	s. d.	£	s. d.
Immigration and Public Works Loan, 1870	...	4,000,000	0 0		
Immigration and Public Works Loan, 1873	...	2,000,000	0 0		
Immigration and Public Works Loan, 1874	...	4,000,000	0 0		
General Purposes Loan, 1873	...	750,000	0 0		
New Zealand Loan, 1876	...	750,000	0 0		
New Zealand Loan, 1877	...	2,200,000	0 0		
				13,700,000	0 0
RECEIPTS IN AID:—					
Contribution of Canterbury for Railways	...	56,000	0 0		
Stamp Duties to 31st December, 1876	...	264,637	16 4		
Transfer from Confiscated Lands Liabilities Account	...	19,963	1 3		
				340,620	17 7
RECOVERABLE FROM CONSOLIDATED FUND.—				14,040,620	17 7
Amount of Expenditure under Class XII.	...			54,791	13 4
				<u>£14,095,412</u>	<u>10 11</u>
		EXPENDITURE.			
		£	s. d.	£	s. d.
Class I.—Immigration, including location	...	1,634,037	5 7		
II.—Departmental, Public Works	...	117,016	11 5		
III.—Railways	...	6,843,499	5 7		
IV.—Roads	...	928,870	12 3		
V.—Land Purchases, North Island	...	581,041	4 6		
VI.—Water Supply on Gold Fields	...	444,709	6 5		
VII.—Coal Mines	...	10,835	8 0		
VIII.—Telegraph Extension	...	299,652	0 6		
IX.—Public Buildings	...	283,635	11 7		
X.—Lighthouses	...	71,673	3 6		
XI.—Miscellaneous Public Works	...	47,324	5 3		
XII.—Advance to Province of Otago	...	54,791	13 4		
XIII.—Charges raising Loans	...	502,885	15 2		
Interest and Sinking Fund	...	218,500	0 0		
				12,038,472	3 1
Balance on 30th June, 1878,—					
Proceeds of the under-mentioned Loans yet to be received—					
Immigration and Public Works Loan, 1870	£2,200 0 0				
New Zealand Loan, 1877	2,200,000 0 0				
	<u>2,202,200 0 0</u>				
Deduct Cash issued out of proceeds of					
Drafts drawn on Crown Agents, in					
anticipation of raising Loan of 1877	356,311 13 11				
	<u>1,845,888 6 1</u>				
Advances in the hands of officers of the Government—					
In the Colony	£29,868 8 1				
In England	126,392 0 4				
	<u>156,260 8 5</u>				
Recoverable from Consolidated Fund,—					
Amount of Expenditure under Class XII....	54,791 13 4				
	<u>2,056,940 7 10</u>				
				<u>£14,095,412</u>	<u>10 11</u>

Table P.

STATEMENT of the ESTIMATED EXPENDITURE out of the CONSOLIDATED FUND for the FINANCIAL YEAR 1878-79.

PERMANENT APPROPRIATIONS—				£	s.	d.	£	s.	d.
Civil List	...	...	...	29,750	0	0			
Interest and Sinking Fund	...	...	...	1,225,129	15	1			
Under Special Acts of the Legislature	...	...	...	47,488	0	8			
Subsidies to Local Bodies	...	...	...	255,000	0	0			
Land Revenue Payable—									
To Counties, 20 per cent.	...	...	...	220,000	0	0			
To Counties, Deferred Payments for Land	...	...	...	7,400	0	0			
To New Plymouth Harbour Board	...	...	...	25,000	0	0			
							1,809,767	15	9
ANNUAL APPROPRIATIONS—									
Class	I.—Public Departments	...	...	188,570	19	2			
"	II.—Law and Justice	...	...	143,909	7	4			
"	III.—Postal and Telegraphic	...	...	243,954	0	0			
"	IV.—Customs	...	...	40,906	13	1			
"	V.—Marine	...	...	45,999	14	10			
"	VI.—Education	...	...	217,370	0	0			
"	VII.—Native	...	...	31,857	5	0			
"	VIII.—Militia and Volunteers	...	...	24,678	12	0			
"	IX.—Constabulary and Contingent Defence	...	...	137,774	10	0			
"	X.—Railways	...	...	487,203	2	10			
"	XI.—Public Domains and Buildings	...	...	32,341	4	0			
"	XII.—Crown Lands, Survey, and Gold Fields	...	...	231,249	15	0			
"	XIII.—Miscellaneous	...	...	357,926	9	6			
							2,183,741	12	9
	Total	...	...				3,993,509	8	6
FEES, DUTIES, AND RECEIPTS, PAYABLE TO LOCAL BODIES—									
	Gold Fields Revenue	...	...	47,000	0	0			
	Gold Duty	...	...	38,000	0	0			
	License Fees, &c.	...	...	65,000	0	0			
	Proceeds Sales of Lands specially set apart	...	...	50,000	0	0			
							200,000	0	0
	Total Estimated Expenditure	...	...				£4,193,509	8	6

Table Q.

STATEMENT of the ESTIMATED RECEIPTS of the CONSOLIDATED FUND for the FINANCIAL YEAR 1878-79.

	£	£	£
<b>ORDINARY REVENUE:—</b>			
Raised by Taxation,—			
Customs ... ..	1,320,000		
Stamps ... ..	170,000		
		1,490,000	
Receipts for Services rendered,—			
Railways ... ..	710,000		
Postal ... ..	121,500		
Telegraphic ... ..	76,000		
Judicial ... ..	50,000		
Land Transfer ... ..	32,500		
Registration and other Fees ... ..	32,745		
Marine ... ..	22,400		
Miscellaneous ... ..	67,000		
		1,112,145	
Total Ordinary ... ..			2,602,145
<b>TERRITORIAL REVENUE:—</b>			
Land Sales ... ..	1,100,000		
Land Sales on deferred payments ... ..	22,000		
		1,122,000	
Depasturing Licenses and Assessments ... ..		106,277	
Miscellaneous ... ..		1,400	
			1,229,677
Total Territorial ... ..			
Total Revenue ... ..			<b>£3,831,822</b>
<b>RECEIPTS SPECIALLY APPLICABLE:—</b>			
Amount required, out of the surplus Land Revenue of 1877, to provide for Arrears of Surveys,—			
Hawke's Bay ... ..	£4,512		
Canterbury ... ..	30,000		
		34,512	
Provincial Liabilities,—			
Balance on 30th June, 1878 ... ..	£5,733		
Receivable from Loan of 1877 ... ..	80,000		
Receivable from Wellington Trust and Loan Company, under arrangement with late Provincial Government ... ..	15,970		
Receivable from Corporation of Wellington for Reclaimed Land ... ..	89,000		
Miscellaneous ... ..	5,000		
		195,703	
			230,215
			4,062,037
<b>REVENUE PAYABLE TO LOCAL BODIES:—</b>			
Gold Fields Revenue ... ..		£47,000	
Gold Duty ... ..		38,000	
License Fees, &c. ... ..		65,000	
Proceeds of Sales of Lands specially set apart ... ..		50,000	
			200,000
Total Revenue and Receipts ... ..			<b>£4,262,037</b>

Table R.

COMPARATIVE RETURN of the DUTIES of CUSTOMS Collected at the several Ports of New Zealand for the Financial Years 1876-77 and 1877-78.

PORTS.	FINANCIAL YEAR 1876-77.			FINANCIAL YEAR 1877-78.			INCREASE.			DECREASE.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Auckland	197,641	18	5	210,041	10	6	12,399	12	1	...	...	...
Thames	9,590	11	7	8,620	4	5	...	...	...	970	7	2
Russell	1,222	2	8	1,075	0	3	...	...	...	147	2	5
Mongonui	396	16	11	366	17	3	...	...	...	29	19	8
Hokianga	1,850	12	7	1,596	3	10	...	...	...	254	8	9
Kaipara	...	...	...	311	5	11	311	5	11	...	...	...
Tauranga	1,695	7	1	1,458	0	5	...	...	...	237	6	8
Poverty Bay	9,434	10	11	10,792	12	11	1,358	2	0	...	...	...
New Plymouth	8,131	9	1	8,726	6	8	594	17	7	...	...	...
Wanganui	22,061	9	2	23,601	8	3	1,539	19	1	...	...	...
Wellington	167,855	0	10	185,884	12	0	18,029	11	2	...	...	...
Napier	39,653	5	10	40,785	19	2	1,132	13	4	...	...	...
Wairau	4,686	16	1	5,278	14	7	591	18	6	...	...	...
Pictou	937	12	11	1,010	8	3	72	15	4	...	...	...
Havelock	845	16	6	802	15	10	...	...	...	43	0	8
Kaikoura	1,074	11	6	983	6	3	...	...	...	91	5	3
Nelson	34,533	4	2	35,041	0	9	507	16	7	...	...	...
Westport	12,996	18	5	13,415	12	10	418	14	5	...	...	...
Greymouth	40,458	8	4	39,276	12	7	...	...	...	1,181	15	9
Hokitika	35,999	1	8	29,639	5	7	...	...	...	6,359	16	1
Lyttelton and Christchurch	195,247	10	4	223,457	1	3	28,209	10	11	...	...	...
Akaroa	219	14	3	81	18	0	...	...	...	137	16	3
Timaru	19,590	0	7	18,396	16	7	...	...	...	1,193	4	0
Oamaru	11,275	0	1	15,140	8	6	3,865	8	5	...	...	...
Dunedin	345,910	10	9	356,221	10	8	10,310	19	11	...	...	...
Invercargill and Bluff	31,830	3	6	38,726	17	11	6,896	14	5	...	...	...
Riverton	4,000	9	11	3,723	13	10	...	...	...	276	16	1
Chathams	7	16	0	*1	15	0	...	...	...	6	1	0
Totals	1,199,147	0	1	1,274,458	0	0	86,239	19	8	10,928	19	9

Increase, £75,310 19s. 11d.

\* Chatham Islands return for June quarter, 1878, not received.

Table S.

RETURN of the GROSS DUTIES of CUSTOMS for each Financial Year, from 1865-1876 to the Year ended 30th June, 1878.

Financial Year 1865-66	£796,227	} £4,066,915	Financial Year 1870-71	£733,300	} £4,697,058
" 1866-67	864,668		" 1871-72	775,993	
" 1867-68	793,394		" 1872-73	855,812	
" 1868-69	804,204		" 1873-74	Net 1,108,677	
" 1869-70	808,422		" 1874-75	1,223,276	
Financial Year 1875-76	...	Net	£1,225,313	} £3,698,918	
" 1876-77	...	"	1,199,147		
" 1877-78	...	"	1,274,458		

Table T.

RETURN of the VALUE of IMPORTS and EXPORTS at each Port of New Zealand for the Financial Year ended 30th June, 1878.

PORTS.	VALUE OF IMPORTS.			VALUE OF EXPORTS.		
	£	s.	d.	£	s.	d.
Auckland	1,223,237	...	...	666,450	...	...
Thames	18,653	...	...	408	...	...
Russell	2,568	...	...	3,335	...	...
Mongonui	2	...	...	296	...	...
Hokianga	...	...	...	8,244	...	...
Kaipara	1,997	...	...	35,553	...	...
Tauranga	883	...	...	...	...	...
Poverty Bay	21,223	...	...	45,977	...	...
New Plymouth	23,734	...	...	...	...	...
Wanganui	63,772	...	...	...	...	...
Wellington	1,233,071	...	...	893,849	...	...
Napier	159,757	...	...	388,232	...	...
Wairau	8,535	...	...	...	...	...
Pictou	1,679	...	...	...	...	...
Havelock	113	...	...	...	...	...
Kaikoura	456	...	...	...	...	...
Nelson	221,807	...	...	28,911	...	...
Westport	47,932	...	...	3,110	...	...
Greymouth	155,850	...	...	188,807	...	...
Hokitika	114,262	...	...	143,266	...	...
Lyttelton	1,477,288	...	...	1,818,844	...	...
Akaroa	859	...	...	...	...	...
Timaru	83,370	...	...	17,693	...	...
Oamaru	54,590	...	...	17,168	...	...
Dunedin	2,304,133	...	...	1,653,950	...	...
Invercargill and Bluff Harbour	167,633	...	...	308,617	...	...
Riverton	3,682	...	...	...	...	...
Chatham Islands	...	...	...	...	...	...
Totals	7,391,086	...	...	6,222,710	...	...
Year 1876-77	6,894,380	...	...	5,476,749	...	...

**Table U.**  
**RETURN of the TOTAL VALUE of all IMPORTS and EXPORTS of VICTORIA, NEW SOUTH WALES, and NEW ZEALAND, for the Eleven Years ended on the 31st December, 1876.**

NEW ZEALAND.										
NEW SOUTH WALES.					VICTORIA.					
Years.	Popula- tion.	Value of Imports.	Rate per Head.	Value of Exports.	Rate per Head.	Popula- tion.	Value of Imports.	Rate per Head.	Value of Exports.	Rate per Head.
1866	636,982	14,771,711	£ s. d. 23 3 9½	12,086,313	£ s. d. 18 19 5½	431,312	9,403,192	£ s. d. 21 16 0¼	9,913,829	£ s. d. 22 19 8¼
1867*	651,571	11,674,350	17 18 4	12,724,427	19 10 6¼	447,620	6,939,804	14 14 10¼	6,880,715	13 7 5
1868*	674,614	13,320,662	19 14 10½	15,593,990	23 2 3½	465,765	8,051,377	17 4 11¼	7,192,904	15 8 2
1869	699,790	13,908,990	19 17 6	12,266,579	17 10 4¼	483,356	8,392,753	17 5 10	9,933,412	20 9 3¼
1870	726,599	12,455,758	17 2 10	11,414,047	15 14 2	502,861	7,757,281	15 8 6¼	7,990,088	15 17 9¼
Average of 5 years, 1866 to 1870	677,911	13,226,240	19 10 2¼	12,815,871	18 18 1	466,783	8,040,881	17 4 6¼	8,382,187	17 19 1¼
1871	752,445	12,341,995	16 18 0½	12,428,187	16 10 4	519,182	9,609,508	18 10 2	11,245,032	21 13 2
1872	770,727	13,691,322	17 15 3¼	12,504,679	16 4 5½	539,190	9,208,496	17 1 6¼	10,417,049	19 7 6
1873*	790,492	16,333,856	20 18 3¼	15,302,454	19 7 1¼	560,275	10,471,433	18 13 9½	9,387,873	16 5 1¼
1874	808,437	16,953,995	20 19 5	13,240,548	16 7 6¼	584,278	11,293,739	19 6 7	12,345,603	21 2 7
1875	823,272	16,685,874	20 5 4¼	12,227,295	14 17 0¼	606,652	13,490,200	22 4 8¼	13,671,580	20 5 0¼
Average of 5 years, 1871 to 1875	789,074	15,241,406	19 6 3½	13,140,632	16 13 0¼	561,915	10,814,685	19 4 11	11,419,427	20 6 5¼
1876	840,300	15,705,854	18 13 9½	11,936,316	14 4 1	629,776	13,672,776	21 14 2½	13,003,941	20 12 11¼
1877	...	...	...	...	...	...	...	...	...	...

  

NEW ZEALAND, INCLUDING ABORIGINAL NATIVES (46,000 in Number to end of 1873; 45,470 in 1874 and 1875, and 45,000 in 1876 and 1877).										
Years.	Popula- tion, European and Aboriginal.	Value of Imports.	Rate per Head.	Value of Exports.	Rate per Head.	Popula- tion.	Value of Imports.	Rate per Head.	Value of Exports.	Rate per Head.
1866	254,682	5,894,863	£ s. d. 23 2 11	4,520,074	£ s. d. 17 14 11¼	208,682	5,894,863	28 4 11¼	4,520,074	£ s. d. 21 13 2¼
1867	264,668	5,344,607	20 3 10¼	4,644,678	17 10 11¼	218,688	5,344,607	24 8 9¼	4,644,678	21 4 9¼
1868	272,618	4,985,748	18 5 9	4,429,198	16 4 11¼	226,618	4,985,748	22 0 5	4,429,198	19 10 10¼
1869	283,249	4,976,126	17 11 4¼	4,224,860	14 18 3¼	237,249	4,976,126	20 9 5¼	4,224,860	17 16 6
1870	294,400	4,639,015	15 15 1¼	4,822,756	16 7 7¼	243,400	4,639,015	18 13 6	4,822,756	19 8 3¼
Average of 5 years, 1866 to 1870	278,923	5,168,072	18 17 4	4,528,313	16 10 7¼	227,923	5,168,072	22 13 5¼	4,528,313	19 17 4
1871	312,986	4,078,193	13 0 7	5,282,084	16 17 6¼	266,986	4,078,193	15 5 5¼	5,282,084	19 15 8
1872	325,560	5,142,951	15 15 11¼	5,190,665	15 8 10¼	279,560	5,142,951	18 7 11	5,190,665	18 11 4
1873	341,946	6,464,687	18 18 1¼	6,610,371	16 8 10¼	293,946	6,464,687	21 16 10¼	6,610,371	18 19 1¼
1874	387,330	8,121,812	20 19 4¼	5,251,269	13 11 1¼	341,860	8,121,812	23 15 1¼	5,251,269	15 7 2¼
1875	421,326	8,029,172	19 1 11¼	5,828,627	13 16 8	375,356	8,029,172	21 7 2¼	5,828,627	15 10 1¼
Average of 5 years, 1871 to 1875	357,829	6,367,363	17 15 10¼	5,432,603	15 3 7¼	312,041	6,367,363	20 8 1¼	5,432,603	17 18 2¼
1876	444,075	6,905,171	15 10 11¼	6,327,472	12 15 6	399,075	6,905,171	17 6 0¼	6,327,472	15 9 6¼
1877	453,818	6,973,418	15 7 3¼	6,327,472	13 18 10¼	408,818	6,973,418	17 1 1¼	6,327,472	15 9 6¼

\* No account was kept of the overland traffic between New South Wales and Victoria during the years 1867, 1868, and 1873.

† The value of the wool received in Victoria overland from New South Wales, excepting for the years 1867, 1868, and 1873, has been deducted from the value of Victorian General Exports, among which it is included.

‡ The last census return shows that the estimate of the population made at the end of December, 1877, was in excess of the actual population. The figures here given have been corrected by the result of the census of 3rd March, 1878.

Table V.

TABLE showing the QUANTITY and VALUE of WOOL EXPORTED from NEW ZEALAND during the Years ended 31st December, 1876, and 31st December, 1877.

EXPORTING PORTS.	1877.		1876.	
	Quantity.	Value.	Quantity.	Value.
	lb.	£	lb.	£
Auckland ... ..	2,140,788	127,730	1,878,461	114,615
Russell ... ..	...	...	7,000	350
Poverty Bay ... ..	970,463	49,370	1,093,577	61,021
New Plymouth ... ..	...	...	1,136	68
Wellington ... ..	13,946,610	754,971	10,770,437	624,227
Napier ... ..	5,480,445	333,355	2,911,130	169,195
Nelson ... ..	13,279	1,291	53,261	2,924
Westport ... ..	2,084	68	3,000	150
Greymouth ... ..	42,620	2,047	25,601	912
Hokitika ... ..	64,493	3,425	93,812	5,169
Lyttelton ... ..	17,101,431	981,874	20,305,217	1,099,736
Dunedin ... ..	19,743,621	1,119,359	17,675,505	1,023,998
Invercargill ... ..	4,975,490	285,448	5,035,317	293,451
Totals ... ..	64,481,324	3,658,938	59,353,454	3,395,816

Table W.

RETURN of the QUANTITY and VALUE of GOLD ENTERED for DUTY for EXPORTATION from NEW ZEALAND during Financial Year 1877-78, as compared with the Previous Year.

EXPORTING PORTS.	FINANCIAL YEAR ENDED 30TH JUNE,			
	1878.		1877.	
	Quantity.	Value.	Quantity.	Value.
	Oz.	£	Oz.	£
Auckland ... ..	78,977	316,872	93,479	379,292
Picton ... ..	...	...	870	3,197
Nelson ... ..	5,864	23,135	6,046	23,797
Westport ... ..	18,669	74,758	21,714	86,933
Greymouth ... ..	80,064	320,250	78,563	314,268
Hokitika ... ..	60,903	243,595	44,691	178,757
Dunedin ... ..	114,318	459,084	96,435	387,869
Invercargill ... ..	9,423	37,975	8,250	33,134
Totals ... ..	368,218	1,475,669	350,048	1,407,247

Table X.

RETURN of the QUANTITY and VALUE of FLOUR and GRAIN IMPORTED into and EXPORTED from NEW ZEALAND, for the Years ended 31st December, 1876, and 31st December, 1877.

—	1877.				1876.			
	IMPORTS.		EXPORTS.		IMPORTS.		EXPORTS.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Flour ... ..	tons of	£	...	£	...	£	...	£
Grain—	2,000 lb.	...	...	...	...	...	...	...
Barley ... ..	bushels	...	...	...	...	...	...	...
Maize ... ..	...	...	...	...	...	...	...	...
Oats ... ..	...	...	...	...	...	...	...	...
Wheat ... ..	...	...	...	...	...	...	...	...
Other Kinds ... ..	packages	...	...	...	...	...	...	...
Total Value ... ..	...	135,425	...	290,415	...	83,498	...	344,142

**Table Y.**

RETURN showing AMOUNTS of *Ad Valorem* DUTIES COLLECTED during the Five Financial Years ended on the 30TH JUNE, 1878, compared with Amounts Collected on Similar Articles by means of WEIGHT AND MEASUREMENT DUTIES during the Preceding Five Years.

FINANCIAL YEARS ENDED— 30TH JUNE, 1874.		FINANCIAL YEARS ENDED— 30TH JUNE, 1869.	
<i>Ad valorem</i> 10 per cent. (and 5 per cent. on some goods during July, 1873) ...	£307,133	<i>Ad valorem</i> 10 and 5 per cent. ...	£1,942
Goods at per cwt. ...	3,615	Goods at per cwt. ...	21,052
Goods at per cubic foot (during July, 1873) ...	12,110	Goods at per cubic foot ...	115,797
	<u>£322,858</u>		<u>£138,791</u>
30TH JUNE, 1875.		30TH JUNE, 1870.	
<i>Ad valorem</i> 10 per cent. ...	£364,558	<i>Ad valorem</i> 10 and 5 per cent. ...	£2,428
		Goods at per cwt. ...	20,178
		Goods at per cubic foot ...	132,213
			<u>£154,819</u>
30TH JUNE, 1876.		30TH JUNE, 1871.	
<i>Ad valorem</i> 10 per cent. ...	£326,642	<i>Ad valorem</i> 10 and 5 per cent. ...	£2,190
		Goods at per cwt. ...	20,212
		Goods at per cubic foot ...	111,996
			<u>£134,368</u>
30TH JUNE, 1877.		30TH JUNE, 1872.	
<i>Ad valorem</i> 10 per cent. ...	£295,702	<i>Ad valorem</i> 10 and 5 per cent. ...	£3,123
		Goods at per cwt. ...	14,717
		Goods at per cubic foot ...	114,893
			<u>£132,733</u>
30TH JUNE, 1878.		30TH JUNE, 1873.	
<i>Ad valorem</i> 10 per cent. ...	£330,770	<i>Ad valorem</i> 10 and 5 per cent. ...	£3,961
		Goods at per cwt. ...	21,292
		Goods at per cubic foot ...	147,034
			<u>£172,287</u>

NOTE.—Measurement duties were abolished by "The Customs Tariff Act, 1873," which imposed an *ad valorem* duty of 10 per cent. in lieu of them and of the duty by weight on hardware, &c., from the 29th July, 1873.

**Table Z.**

COMPARATIVE RETURN of CUSTOMS REVENUE collected during the FIVE FINANCIAL YEARS ended 30th JUNE, 1878.

HEADS OF REVENUE.	FINANCIAL YEARS ENDED 30TH JUNE				
	1874.	1875.	1876.	1877.	1878.
Spirits ...	£ 314,182	£ 349,812	£ 371,001	£ 367,251	£ 379,461
„ New Zealand ...	23,526	23,963	12,630	7,412	4,315
	337,708	373,775	383,631	374,663	383,776
Cigars and Snuff ...	15,383	16,191	15,919	18,406	19,433
Tobacco ...	101,162	108,046	121,939	126,734	131,337
„ Sheepwash ...	293	394	244	90	265
Wine ...	38,085	39,708	38,678	37,093	37,973
Ale and Beer, in bottle ...	20,019	21,308	20,748	19,663	21,413
„ „ in wood ...	3,417	3,227	3,171	3,966	4,609
Tea ...	60,635	68,076	71,193	76,516	80,978
Coffee, Cocoa, &c. ...	6,493	6,613	7,138	8,883	8,392
„ roasted ...	71	114	67	35	31
Sugar and Molasses ...	103,183	114,299	122,449	126,883	131,539
Opium ...	2,468	2,479	2,663	2,926	2,609
Goods, by measurement ...	12,110	...	...	...	...
„ by weight ...	56,878	63,473	71,559	68,874	77,860
<i>Ad valorem</i> ...	307,133	364,558	326,642	295,702	330,770
Other Duties ...	43,639	41,015	39,272	38,714	43,473
Totals ...	1,108,677	1,223,276	1,225,313	1,199,148	1,274,458

LIST OF ARTICLES, NOW SUBJECT TO AD VALOREM DUTY OF 10 PER CENT., WHICH IT IS PROPOSED TO CHARGE WITH FIXED RATES OF DUTY.

ARTICLES.	PROPOSED FIXED RATES.	Annual Revenue now Collected on these Articles.
Bicarbonate of Soda ... ..	2s. per cwt. ...	£ 350
Cream of Tartar ... ..	1d. per pound ...	65
Tartaric Acid ... ..	1d. per pound ...	420
Fish, Potted and Preserved ... ..	1d. per pound (or reputed package of that weight).	3,057
Sardines ... ..	1d. per half-tin ...	...
Jams, Jellies, and Marmalade ... ..	1d. per pound (or reputed package of that weight).	} 3,506
Bottled Fruits ... ..	1s. per dozen ...	
Mustard ... ..	2d. per pound ...	650
Pickles ... ..	Quarts (or reputed packages of that quantity), 2s. per dozen.	} 875
Pickles ... ..	Pints, ditto, 1s. per dozen.	
Sauces ... ..	2s. per dozen reputed pints, and so in proportion per dozen of greater or less reputed quantities.	850
Starch ... ..	4s. per cwt. ...	} 1,039
Blue ... ..	1d. per pound ...	
Lead and Composition Piping ... ..	2s. per cwt. ...	40
Nails ... ..	2s. " ...	3,453
Wrapping Paper, Brown ... ..	2s. " ...	} 608
" Other Kinds ... ..	3s. " ...	
Paper Bags ... ..	6s. " ...	840
Wool-packs ... ..	2s. 6d. per dozen ...	2,711
Corn Sacks ... ..	9d. " " ...	4,048
Flour Bags ... ..	3d. " " ...	779
Boots and Shoes—		
Men's, No. 6 and upwards ... ..	12s. " " ...	} 18,295
Youths', Nos. 2 to 5 ... ..	10s. " " ...	
Boys', Nos. 7 to 1 ... ..	6s. " " ...	
Women's, No. 3 and upwards ... ..	8s. " " ...	
Girls', Nos. 11 to 2 ... ..	7s. 6d. " " ...	
Girls', Nos. 7 to 10 ... ..	6s. " " ...	
Children's Nos. 0 to 6 ... ..	3s. " " ...	
Women's Lasting and Stuff Boots ... ..	8s. " " ...	
Goloshes of all kinds ... ..	2s. 6d. " " ...	
Slippers—Men's, Women's, and Children's, No. 7 upwards ... ..	5s. " " ...	
Wines, Sparkling ... ..	6s. per gallon.	...
		£41,586

LIST OF ITEMS PROPOSED to be STRUCK OUT of the TARIFF, and of AMOUNTS that will be  
ANNUALLY LOST TO THE REVENUE thereby.

	£		£
Accoutrements ... ..	8	Brought forward ...	10,527
Arrowroot, in bottles, jars, and tins ... ..	140	Gutta Percha Manufactures, not being Wearing Apparel, and not otherwise enumerated	45
Arrowroot, in bulk ... ..	66	Iron Wire ... ..	5,038
Arsenic ... ..	8	Maccaroni ... ..	65
Axles, Axle-arms and Boxes ...	316	Maizena and Corn Flour ...	545
Bacon and Hams ... ..	136	Paints, wet or dry ... ..	2,081
Baskets and Wickerware ... ..	103	Peas, Split ... ..	58
Beef, Salted ... ..	13	Perambulators ... ..	125
Bellows ... ..	65	Photographic Goods ... ..	237
Building Materials, not other- wise enumerated ... ..	161	Pitch and Tar ... ..	35
Butter ... ..	10	Pork, Salted ... ..	11
Candlenut Oil ... ..	10	Posts and Rails ... ..	120
Carriage and Cart Shafts, Spokes, Felloes, and Naves, in the rough ... ..	100	Provisions, Preserved, not other- enumerated ... ..	6
Chains, of iron ... ..	107	Sago, in bottles, jars, and tins	40
Cheese ... ..	54	Sago, in bulk ... ..	259
Clogs and Pattens ... ..	<i>Nil.</i>	Saltpetre ... ..	45
Cork Soles ... ..	60	Spirits of Tar ... ..	<i>Nil.</i>
Fireworks ... ..	33	Steel ... ..	117
Grain ... ..	3,930	Swords ... ..	5
Grain, Ground ... ..	5,080	Tapioca, in bottles, jars, and tins	15
Groats, Prepared ... ..	110	Tapioca, in bulk ... ..	72
Glue ... ..	17	Tools, Artificers' ... ..	249
		Vegetables, Dried ... ..	21
		Vermacelli ... ..	10
Carried forward ...	10,527		<u>£19,726</u>

By Authority: GEORGE DEDSBURY, Government Printer, Wellington.—1878.