

there was an excess on the item Registration Fees of £1,600, and £37,819 on the item Miscellaneous. Of the latter increase, £25,000 is due to sinking fund released under "The Public Debts Sinking Fund Act, 1868," on account of excessive accumulation, and £19,000 to interest received on public moneys. The total amount of revenue under the estimate is £41,539, and over the estimate £39,585. The difference between the two gives the net under-estimate of revenue of £1,954, to which reference has before been made. I have explained the transactions of the year on the Ordinary Revenue and Expenditure Account as much at length as the Committee will desire. There is one circumstance I should mention, and that is, that, of the debentures created for the accretions of sinking fund, £106,900 were paid off out of the receipts from converted bonds of the 1867 loan drawn for payment. This amount was in addition to £72,400 paid off on account of the drawing in 1885. I have to give an explicit denial to the statement that liabilities were unusually held over to swell the surplus. The liabilities at the close of the year are not more than ordinarily is the case, whilst the advances have been more closely brought to charge than in previous years.

LAND FUND.

The Land Fund Account had a balance at the commencement of the year of £31,931, and at the end of the year there was a deficit of £20,384. This eminently unsatisfactory result is but the consummation of a series of diminished receipts not compensated sufficiently by reduced expenditure. Naturally, I have felt myself called on to make a close analysis of the fund. I find that, besides the Crown Land departmental and survey expenditure charged on the Land Fund, there is debited to it the amounts paid for Crown and Native land rates. Increases of these rates, and delays in the receipt of amounts falling due under the deferred-payment system, have lessened the revenue of and increased the charges on the Land Fund. It was from this fund that the Roads and Bridges Construction Act was to be supplied with means, and it seems to me that the Act fell through when all chance of moneys being available for its purposes from the Land Fund ceased to be possible. The item of Native rates charged to the fund is a very disturbing one. These payments are made on account of Native owners, and are recoverable as the land is sold. To make them a charge on the current revenue is neither in spirit nor letter consistent with the principles to which effect is designed to be given. The best remedy I can propose is that the total amount of these payments shall be treated as advances from the Public Works Fund reducible by receipts from time to time recovered from the Natives. Another item that may fairly be recovered is the cost of survey and expenses attending the sales of land put apart for the Little River and Akaroa Railway. Undoubtedly it never was contemplated that the proceeds of the reserves should be freed from the ordinary payments of surveys and the expenses of disposing of the land.

PUBLIC WORKS FUND 1885-86.

There have not been any new loans negotiated since the House was last in session, but an instalment of the third million of the three million loan, and the proceeds of the million and a half loan, have passed to credit of the fund since the end of the financial year of 1884-85. Including the balance at the end of that period, the total receipts of the fund amounted to £2,844,166. An amount of £600,000 representing temporary advances of the previous year was repaid during last year, and £188,300, district railways, appears on both sides of the account, the purchase price and the value of the debentures representing it having passed through the fund. The expenditure out of the fund during the year was £1,287,086—this, and the other two amounts mentioned, from which shillings and pence have been eliminated, deducted from the total, will leave a balance to credit at the end of March last of £768,780, which includes advances in the hands of imprestees. As pointed out on previous occasions, there is always, because of these advances, less money really available for expenditure than appears from the gross balance. The obligations