

increased to £312,653 by the disallowance of some of our proposed reductions, by the late period at which the session ended, delaying the application of our proposals for retrenchment, and by the supplementary estimates of expenditure—the increase of £59,348 being the difference between the estimate of expenditure given in Table No. 9 referred to—£4,286,702, less proposed reductions, £71,000—and the estimate, £4,275,050, arrived at after the passing of the Appropriation Act; but this increased amount did not include any estimate of the sum required for compensation for loss of office, which in last year's Financial Statement was treated as a matter outside the ordinary estimates of expenditure. I shall presently refer to this question of compensation more fully.

The receipts of the year—still keeping the Ordinary Revenue and Land Fund Accounts conjoined for the purpose of comparison with my estimate last session—fell short of the actual expenditure of the year by £382,047, as against £312,653 anticipated, being £69,394 in excess of the estimated deficit for 1887–88; or, deducting £22,104 paid for compensation for loss of office—deducted for the reason just mentioned—the excess was £47,290. Before explaining how the estimated deficit came to be exceeded, it may be well to state what it actually was at 31st March last. As I have just said, the expenditure exceeded the receipts of the year by £382,047; but if we add the deficit left over from the preceding year—£146,556—we get a total of £528,603 for the two years. The liabilities outstanding at the close of the year were in respect of the Ordinary Revenue Account £126,184, and of the Land Fund Account £18,772, making together £144,956, being about £60,500 less than they were at the 31st March, 1887.

I shall now as briefly as possible explain to the Committee how the actual deficit at 31st March last exceeded our anticipations. In the first place the revenue as a whole did not realise the amount estimated by £103,336. The railway receipts did not reach the estimate by £68,174, nor the land sales by £29,503. The revenues derived from depasturing licenses, rents, and other sources, also fell short by £7,239, but Customs duties and stamps were both slightly in excess of the estimate. I am informed by the railway authorities that the falling-short of the estimated railway receipts is in some measure due to the late harvest and also to the low price of wheat, which caused the farmers to delay threshing and delivering their grain, in the hope that a rise in price might soon take place. That the smaller quantity of grain conveyed before the 31st March does not arise from a less quantity grown and ultimately needing conveyance, is shown by the fact that 28,000 tons more grain are estimated to have been carried over our railways during this month than in the same period in the previous year. The expenditure as a whole was less than the estimate by £33,942, or, excluding compensation paid for loss of office (£22,104), it was £56,046 less than estimated, which sum deducted from the revenue short received, £103,336, gives the excess deficit of £47,290 for the year, the amount I have already named to the Committee as exceeding our anticipations. I should, however, inform the Committee that, excluding interest and sinking fund and other charges under permanent Acts, which are not so directly under the control of Ministers, and also compensation for loss of office not paid under the Civil Service Act, the amount expended last year was within the votes of Parliament by £36,688. Included in this sum is £19,882, the unexpended balance of the amount voted for the General Post Office, Wellington. The total expenditure out of the Consolidated Fund under the Appropriation Act, including services not provided for, was £2,168,713 for the year 1887–88—including the whole charge for Defence services—as against £2,241,513 for 1886–87, with £12,500 added for Defence services charged to loan, being a reduction of £85,300 in favour of last year.

I have stated to the Committee that the transactions for the year of the Ordinary Revenue and Land Fund Accounts conjoined resulted in a deficit of £382,047. Separately, the accounts stood thus: Ordinary Revenue Account, £302,960; Land Fund Account, £79,087. To these sums we have to add the deficit with which the year began, made up of £92,293, Ordinary Revenue Account, and £54,263, Land Fund Account. There was, therefore, for the two years a deficiency of £395,253 in the one account and £133,350 in the