

Comparing the actual with the estimated revenue, there was an excess under every head. The Customs estimate was exceeded by £241,040; Railways, by £121,396; Stamps, by £122,227; Land and Income Tax, by £58,209; Miscellaneous, by £26,885; other heads, by £28,318: making a total of £598,075 in excess of the estimate. The following table will give details:—

	Estimated.	Actual.	More.
	£	£	£
Customs	2,700,000	2,941,040	241,040
Railways	2,500,000	2,621,396	121,396
Stamps	1,243,500	1,365,727	122,227
Land-tax	405,000	447,342	42,342
Income-tax	262,000	277,867	15,867
Beer Duty	98,500	107,582	9,082
Registration and other Fees	110,000	119,445	9,445
Marine	37,000	40,891	3,891
Miscellaneous	200,000	226,885	26,885
Territorial Revenue	245,000	250,900	5,900
Totals	<u>£7,801,000</u>	<u>£8,399,075</u>	<u>£598,075</u>

A certain amount of this increase must be attributed to the International Exhibition at Christchurch, particularly that relating to revenue derived from Railways, Customs, and Stamps; but at the same time we must not overlook the fact that the general prosperity of the country is mainly responsible for the results.

EXPENDITURE.

The expenditure last year also was necessarily higher, the actual sum spent being £7,774,926, or £652,586 more than the previous year. Of this large increase the permanent charges are responsible for £128,063, principally caused by the payment of interest on new loans and the cost of increased payments to old-age pensioners. With the increased revenue increased expenditure may be looked for, and it is therefore not surprising to find that the departmental expenditure was in excess of that of the previous year by no less a sum than £484,573. Of this amount the Railways were answerable for £254,537, Education required £88,032, Post and Telegraph service cost an extra £40,459, grant to Exhibition £49,500, and the maintenance of roads now charged to Consolidated Fund £25,860. The new sinking fund established for war and defence loans absorbed nearly £40,000.

Comparing the actual expenditure for the year with the amount appropriated, we are able to show a saving of £161,383. The charges authorised by the permanent appropriations show, as compared with the estimates, a saving of £12,828, while the votes for departmental expenditure show £188,505; but, as credit has been given to Railways for the excess of revenue allowed by law, of £121,396, the underspent amount on departmental votes may be stated as £67,109.

After charging £39,950 for the Defence and War Loans Sinking Fund Account we have a direct saving of £39,987 on the estimated expenditure for the year.

The surplus of £788,795 from the previous year enabled me to transfer from revenue in aid of public works the sum of £775,000, which, if reckoned at 3½ per cent., represents a saving to the State of £27,000 per annum for interest. The largest amount previously transferred on this account was £600,000.

RESULTS.

The receipts for the year from all sources amounted to £8,478,956, the expenditure being £7,774,926, leaving a surplus on the year's transactions of £704,030, which added to the amount of £13,795 left from previous year's balance after transfer to Public Works Fund of £775,000 gives us a balance on the 31st March last, of £717,825.