the office anticipates being able to repay the Treasury during the current year the whole amount required for interest on the loans (£2,000,000) which have been raised for the purpose of making advances.

Table No. 2 accompanying this will show honourable members the exact figures, comparing the actual receipts with the estimates.

Compared with the result of the preceding year, the revenue for 1898–99 shows an increase of £198,799, indicating a most gratifying expansion in the resources of the colony.

Referring to the expenditure side of our accounts, the following remarks may help to explain the difference between the actual expenditure and the estimate. In the case of the permanent appropriations my estimate was for £2,171,700, while the actual expenditure has been £2,162,106, or £9,594 less than the estimate. Interest and Sinking Fund charges did not reach the estimated amount by £27,544, arising chiefly from recoveries for interest on the Cheviot Estate debentures, and by an overestimate of interest payable in respect of debentures to be issued for land-purchases and loans to local bodies. On the other hand, several of the remaining permanent accounts show an excess of expenditure, but individually the amounts are not large. The actual expenditure on permanent charges during 1898–99 compared with 1897–98 shows an increase of £49,889, of which £26,055 belongs to interest and sinking fund. An unforeseen refund of £13,250 legacy duty in respect of the estates of Dilworth and Carter had to be made. These items, and increased endowments of local authorities, and the new item for old-age pensions account for the increase. The annual appropriations show a net increase of £15,093 over the estimate. In ten classes there has been an under-expenditure of £51,628, and in seven classes an over-expenditure of £66,721, and an additional sum of £3,182 for services not provided for. In connection with the under-expenditure, the class for Trade and Customs shows that £5,564 was underspent, arising chiefly from items provided for miscellaneous services which were not paid during the year. In the class for education asylums, and other services there has been an under-expenditure of £12,038. The Defence Department shows an apparent saving of £12,061, caused partly by the failure of Volunteers to qualify for daylight parades, in connection with which £3,000 was saved. There was also practically no expenditure incurred on the item £6,200 for camp-equipage and stores, the war-scare having passed over. The balance was saved on small services. Amongst the departments whose expenditure exceeded the estimate may be mentioned the Treasury Department, to the amount of £4,095, arising from extra charges for exchange and discount upon our remittance business. The new issue of stamps, and extra work in the Land Transfer Office, is responsible for £5,003 extra expenditure under the Commissioner of Stamps. £52,917 is the amount of excess expenditure over the estimate required for the working railways. An extra amount of track was relaid, bridges have been strengthened, and additions and improvements to the lines and structures have been made, so as to efficiently provide for the largely increased traffic on the opened lines: all this cost money, and at least £30,000 could have been fairly charged to Capital Account. The increased ordinary expenditure produced some £95,500 of revenue in excess of the estimate, as I have already stated. Taking the net result of the expenditure on permanent and annual services, the difference amounts to £8,681 in excess of the estimates given. Full particulars of the differences will be found in Table No. 2.

The result of the transactions within the Ordinary Revenue Account of the Consolidated Fund at the close of last financial year may be summarised thus:—

	£	£
Balance on 31st March, 1898	521,144	
Out of which there was transferred to the Public Works Fund	425,000	
Leaving		96,144
Receipts, 1898–99	5,258,228	
Expenditure, 1898–99	4,858,511	
Excess of revenue over expenditure		399,717
Balance on 31st March, 1899		£495,861