

the year's Consolidated Fund Account, and £100,000 for Public Works Account. There are, besides, the £400,000 contingent liability bills. My friends, I dare say, will think that I am rather good-natured, not to say stupid, to trouble myself with working out my predecessor's difficulties. "Fund," they will say, "by adding to the permanent debt, so much of this floating debt as will leave you without any anxiety for the future, and start on a fresh career of manufacturing a new floating debt." "I shall not do anything of the kind. I am profoundly impressed with the conviction that it is intricate entanglement, rather than real difficulty, with which New Zealand has to contend. I believe her finances can be put in order, and that we may count from year to year on such an improvement in revenue, that so much of the present floating debt as does not come within the category of mere aid within the year, can be discharged within a reasonable period. The £450,000 I shall consider as strictly aid within the year, and I shall ask the House to increase the amount by another £50,000. My predecessor stated his opinion that the £400,000 was not sufficient, and actual experience has shown that the additional £50,000, for which he obtained authority, is still not enough; for, as I have told the Committee, there is beyond all the deficiency bills a deficiency of a few thousands in the estimate of the present month. I shall ask, then, for authority to add £50,000 to the £450,000, strictly for the purpose of anticipating revenue within the year. The £150,000 for last year's deficiency I shall pay off within the next two years or so. The £100,000 for public works can either be allowed to lapse, or continue to be used as a means of adjusting public works revenue within the year. As to the contingent £400,000 I do not like the arrangement, and shall hope to be able to do away with it shortly. Thus, I am not intending to propose that most unpopular of all financial operations, the converting floating into permanent debt.

THE ESTIMATES.

I have had to take the Estimates very much as I found them. The honourable member for Egmont, in his last Financial Statement, led the Committee to believe that he proposed to effect great savings in the Civil Service votes, and also that he intended to amend the service by classification and promotion. He did not particularize his proposed reforms, and he thought it undesirable to leave a record of them behind him. The type even of the Bill said to have been prepared, was broken up. As to promotion by the classification system, irrespective of merit, I am not an advocate of it. It reduces officers to a dead level, and leaves little incentive to individual exertion. I have been told that in an adjacent colony, at one time under the influence of this system, it was found necessary to have an army of supernumeraries outside the Civil Service regulations, in order to carry on the business efficiently.

I will proceed to state the principal alterations we propose in the Estimates. One is a reduction of the Armed Constabulary expenditure at the rate of £20,000 a year; but it can only come into force for the last quarter. We propose, on the other hand, to add 5s. to the capitation allowance of Volunteers; this will be for the last six months of the year at the rate of 10s. yearly, at which we propose it shall continue. We shall also ask authority for appointing a Commanding Officer of Volunteers, and we shall place a sum on the Estimates to defray the expenses of members attending the annual competitions of those singularly meritorious and valuable bodies the Volunteer Fire Brigades. These three items will appear on the Supplementary Estimates. As regards the Department of Education, we think the time has come when the large annual increase of scholars renders it unnecessary to allow the extra capitation fee of 5s. a head outside of the provision made in the Act. This reduction we propose shall commence with the last quarter in the year, so that it will only amount to 1s. 3d. a head. We shall ask the House to except from it the schools in the Westland Provincial District, the funds of which are somewhat contracted. There has been no time to minutely analyze the receipts and expenditure of the Railway Department. We are of opinion that closer and more intimate business inspection will materially aid the economy and efficiency of the management of railways. We design no reflection on the present Manager. I know of many systems of railways, not so large as that of New