

demonstrated when the estimates are under discussion. The increases of salaries by some £14,000 of the two classified departments—Railways and Postal—naturally causes dissatisfaction from those in the unclassified branches of the public service, and it seems clear to me that to be just and equitable to all something should be done under a comprehensive and well-considered scheme, and, without unduly increasing the departmental estimates, to place each and every branch of the public service on a proper footing. If an analysis were made of the increases allowed in departments which do not enjoy the benefits of classification I am confident the amount in relation to the whole of the departments so situated would not exceed £3,000 or £4,000. In the Lands and Valuation Departments there are reductions. The first-named department anticipates recovering a large amount for survey expenses from the proceeds of the disposal of lands along the route of the North Island Main Trunk Railway; and in the case of the latter department the initial expenses of valuation were nearly all in last year's expenditure, and consequently a much smaller vote is now submitted. The estimated ordinary expenditure for 1897-98 was £4,669,074, as against £4,743,876 for the current year.

ESTIMATED REVENUE, 1898-99.

Very careful consideration has been given to the figures finally adopted as estimates of the accruing revenue of the current year. The figures I have set down for this year amount to £5,023,300, which is £230,300 more than I estimated for last year, and £33,930 less than our actual receipts. Contrasting the present estimates with the actual receipts of last year, the increases amount to £30,871, and the decreases to £64,801. I have adopted, as an estimate for this year, the figures representing last year's actual receipts from Customs duties, in accordance with the remarks I have previously made. The general prosperity of the community enables me to estimate a small additional sum will be derived from the combined collections of land- and income-tax. From "Registration and other fees" an additional sum of £22,711 is estimated, to be derived principally from the fees chargeable for the figures supplied by the Valuation Department. Amongst the decreases I have had to include the receipts from the sale of stamps: heavy succession duties were unexpectedly received last year, and of course cannot be again estimated. My colleague the Minister of Lands anticipates a distinct falling-off in the revenue derived from the disposition of our lands. The receipts from cash sales and deferred-payment selections are rapidly growing less, and in some cases pastoral runs are falling into our hands, and will require to be relet at less rentals. These causes will probably result in decreased revenue to the amount of £36,296. The amount representing the proceeds of debentures issued in respect of the accretions of sinking funds during the year is £15,300 less than the sum issued last year.

SUMMARY.

Bringing the estimates of expenditure and revenue together, the position at the close of the current financial year on the 31st March, 1899, may be set down as follows:—

				£
Balance brought forward to begin the year with...	...	...	521,144	
Less to be transferred to the Public Works Fund	...	...	350,000	
				171,144
Estimated expenditure, 1898-99	...	...	£4,743,876	
Estimated revenue, 1898-99	...	...	5,023,300	
Excess of revenue over expenditure	...	...	...	279,424
				£450,568

From the above amount I propose to set aside £100,000 for old-age pensions; and to transfer to the Public Works Fund £25,000 in aid of Harbour defence-works and defence-services, £25,000 in aid of the additional requirements of lunatic asylums, new methods, &c., and, inclusive of the amount already expended and liabilities incurred, £25,000 to defray the cost of the erection of our parliamentary