

FINANCIAL YEAR, 1902-3.

Honourable members will be anxious to hear what our financial position is likely to be during this current year. I shall, therefore, without further preamble, give a forecast to the best of my ability.

EXPENDITURE.

In framing the estimates for the present year I have been confronted with a task of considerable magnitude. The progress and prosperity of the country have made such strides that, as a corollary, we find demands being made for greater assistance, larger and increased facilities, and from all quarters applications to Government departments which involve an increased expenditure of public moneys. As I have already said, the task of framing the estimates of expenditure has been by no means light, but I have insisted upon the most rigid economy being observed; and, although the total is large, I am quite satisfied that honourable members will find that if legitimate demands have to be met I am not asking for too much.

The total estimated expenditure out of our ordinary revenue account is set down at £5,987,063, which is £91,149 in excess of last year's expenditure, and £88,361 more than last year's estimate.

I append a table which gives in a concise form a comparison of the various heads of expenditure, with the actual figures for last year for similar services.

I shall, however, as briefly as possible explain to you some of the principal differences between this year's estimate and last year's expenditure. Interest and sinking fund have increased by £89,000. The large amount of additional loan-money is responsible for this. Next we have an increase in the permanent charges under various Acts; this amounts to £26,000. Out of this £21,500 have to be provided for the Australasian Naval Squadron contribution, £8,000 for old-age pensions, and £4,000 for subsidies to local authorities. On the other hand, there is likely to be a saving of £5,000 in respect of subsidies to hospitals and charitable institutions, £2,000 on payments to the Westport Harbour Board on account of its endowments, and £2,000 on "thirds" and "fourths" payable under the Land Act. Under the permanent charges we have thus some £116,500 of the total increase accounted for.

In connection with the annual votes of Parliament there is much variation. Out of nineteen classes eight show a decreased expenditure amounting to £96,000, and eleven departments are obliged to ask for increases amounting to £74,000. A much larger decrease than £73,000 would have been made in the Colonial Secretary's Department had the necessity not arisen of providing £25,000 for expenses of the general elections. Rigid economy has cut down the expenses of the Customs, Marine, and Agricultural Departments by £15,000. The Defence Department is also reduced by £4,000, but until the Report of the Commandant has been received by my colleague and laid before the House it is not possible for me to say what further amount may be required. Turning now to the estimated extra expenditure, the Postal and Telegraph Department asks for £14,000. The large increase of the business in both branches of this service, the progress of settlement, and the consequent demand for increased facilities produce increased expenditure, and, like the Working Railways, it is a department which necessarily increases with the progress of the country. For education an increase of £27,000 is asked for, and although our expenditure in this direction considerably exceeds half a million I am quite satisfied the money is being spent upon a purpose which commends itself to every right-feeling colonist. I have endeavoured to keep down the Working Railways expenditure as low as is consistent with the prudent running of our trains, and it must always be borne in mind that the more money earned by our railways the more proportionately must be the expenditure. The increase for this year I have named as £19,000. About £14,000 covers the excesses in other departments.