

Police Department shows an increase of £15,600, accounted for by the necessity to provide more police protection to localities that are insufficiently policed, and for the payment to members of the Force the increased rate of pay as fixed by regulation. The increase of £13,000 in Agricultural class is due chiefly to the additional amount required for inspection of dairies and noxious weeds.

The other classes call for no special comment other than that the small increases asked for are due to the increased work of the Departments, the outcome of the growth of the population. Full details of the expenditure will be found in the estimates, which will be placed in the hands of honourable members immediately.

REVENUE.

Turning now to our ways and means for the year, I find that, after giving the matter careful consideration, I am able to estimate our revenue from all sources as £8,985,000, or £70,946 less than the amount received last year.

As the main source of our Customs revenue is the spending-power of the people, apart from the lower price of wool and flax, I have no reason to anticipate any falling-off in the revenue, except in so far as it will be affected by the tariff remissions made last session. On the contrary, the revenue has been so buoyant for several years that it is just a question whether the net remissions will not be compensated by the natural increase arising from increased population and the continued prosperity of the country. With these considerations in view, I estimate the amount of Customs revenue will be £2,950,000, or £153,565 less than the collections of last year.

Considering the steady increasing volume of railway business and the additional mileage of line now under construction, and which I expect will be taken over during the current year, I estimate that the gross earnings of the Railways for the twelve months may be safely put down as £2,835,000, or £69,605 more than the actual receipts of last year.

I anticipate that Stamps will yield £1,573,000, or £22,066 more than the previous year, the increase being derived principally from postal revenue; while the general prosperity of the community enables me to expect a revenue of £570,000 from Land-tax and £310,000 from Income-tax—an increase of £37,249 in the combined collections.

Registration and other fees show a decrease of £14,166, consequent on the abolition of the sheep-tax.

Miscellaneous revenue has been set down to yield an increase of £20,659 on last year, and beer duty £3,027, while the Marine revenue is estimated to be less by £2,217.

Territorial revenue is estimated to produce £236,000, or £53,603 less, because this year the revenue derived from renewable leases—which takes the place of lease in perpetuity—and small grazing-runs will be credited to the National Endowment Account.

ESTIMATED RESULTS AT CLOSE OF THE CURRENT FINANCIAL YEAR.

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

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Estimated revenue	8,985,000
Estimated expenditure	8,662,993
Excess of revenue over expenditure	322,007
Add balance from last year	767,849
Total	<u>£1,089,856</u>

From this amount I propose to set aside £800,000 for transfer to Public Works Fund, and £60,000 for additional contribution to British Navy, leaving a balance of £229,856 for such further appropriations as may be asked for in the supplementary estimates.