

This increase is accounted for to the extent of £3,086,000 by additional charges under annual votes, the balance arising in respect of provision for supplementary estimates and sundry items.

Debt charges.

It will be noted with satisfaction that debt charges are estimated to involve a net increase, compared with last year, of only £15,000, which is the smallest increase for many years past. As I have already indicated elsewhere, the present Government, as a matter of policy, have reduced each year the amount of overseas indebtedness, and this, together with savings arising out of the successful conversion operations, has reduced very considerably the annual charges on account of the external debt. The whole of the Government's capital requirements have been raised locally at low rates of interest.

Annual votes.

In regard to the annual votes, where the major portion of the total increase is accounted for, social services are estimated to cost this financial year a total of £12,168,000, compared with £9,913,000 expended last year. To the extent of £1,697,000 the increase is due to pensions. Honourable members will recall that in last year's Budget it was announced that "cuts" in pensions were to be restored and in some cases further increases given. The subsequent legislation gave effect to that promise. The increases, however, operated during only portion of last financial year, while this year the full effect of the increased charges appears in the estimates. These increases, together with the normal expansion of the Department, account for the additional provision referred to.

Education.

The sum of £3,745,000 is provided this year in respect of vote "Education," representing an increase of £349,000 on last year's expenditure and £950,000 over the amount spent in 1935-36. Full details of the increases appear in the estimates.

Facilities for the conveyance of children by road and rail to primary and post-primary schools are being extended, and the boarding-allowance granted (where necessary) to enable country children to attend such schools is being increased from the present rate of 5s. per week to 7s. 6d.

A larger sum than in any previous year is being allocated to school and class libraries. A sum is provided to allow of the restoration of grants for public libraries in rural communities. Boys' and girls' agricultural clubs are to receive increased encouragement.

In Native schools additional scholarships are to be awarded to Maori students and additional material allowed for manual instruction. A sum is being allowed for the preparation and printing of suitable text-books for use in Native post-primary schools, in connection with which a Committee is being set up.

The expenditure on University National Bursaries and War Bursaries is increased. The moneys repaid by teachers in respect of the training-college boarding-allowance loans granted in 1933 and 1935 are to be refunded, and all such remaining obligations cancelled.

Provision is made for the appointment of three women advisers of Infant Departments in public schools and of kindergarten schools. Increased grants are to be made in aid of free kindergartens and towards the cost of their buildings.

Provision is made also for the appointment of one Woman Inspector and one Woman Supervisor of domestic and home science subjects, the employment of vocational-guidance officers, and payment of half the salaries of officers to be attached to training colleges for museum work in schools.

A Council of Adult Education is being set up to co-ordinate the various efforts made in the direction of adult education, for the general purposes of which (including such education in public works camps and the activities of the Workers' Educational Association) an increased sum is being provided.

**Assistance for
country
libraries.**

A scheme is being inaugurated for assisting small libraries in the country districts. This will take the form of a regular loan supply of books from a central source, and will constitute the beginning of a comprehensive national library system. This service will be ready for operation early next year. A sum of £3,000 is to be provided as an initial grant.

Provision is also made for increases in staff made necessary by the introduction of a 42-hour week in Child Welfare Institutions and Schools, and in the case of the Correspondence School, as a result of an increase in the number of pupils.