

EXPENDITURE.

Head of Expenditure.	1936-37.	1937-38.
	£	£
I. Permanent charges on public debt ..	11,331	15,060
II. Administrator and Government House ..	1,202	2,655
III. Education	5,619	7,539
IV. Health	19,636	22,579
V. Justice, Labour, and Public Trust ..	2,506	3,236
VI. Lands and Survey	1,552	1,649
VII. Native	6,810	7,820
VIII. Police and Prisons	8,922	8,669
IX. Postal and Radio	5,906	6,360
X. Public Works	28,039	31,436
XI. Secretariat	13,238	9,491
XII. Treasury, Customs, &c.	12,758	23,661
	117,510	140,155
Less Public Trust and Labour Departments recovered	897	1,085
	£116,613	£139,070

The principal increases are accounted for as follows:—

Permanent Charges.—A sum of £5,500 was applied in direct reduction of the debt, as against £1,500 in the previous year.

Administrator and Government House.—The Acting-Administrator's salary, which was formerly charged to the Secretariat, was charged to this Department.

Education.—Expansion of the education services resulted in increased expenditure on salaries and school equipment, the increases in salaries being over £1,000.

Health.—Salaries paid increased by £1,000, and the balance of the increase is accounted for by higher purchases of liquor.

Justice.—The increase is due to the appointment of a resident Chief Judge.

Native.—Salaries paid to Native officials increased by approximately £1,500.

Postal and Radio.—Interest credited to depositors in the savings-bank increased by £415.

Public Works :—

Increases—	£
Maintenance of roads	1,350
Waterworks	447
New buildings	4,905
New plant and motor-vehicles	1,127
New roads	1,515
	£9,344
Decreases—	£
Maintenance sea-walls	442
Stores for allocation	2,609
New bridges	2,769
New sea-walls	698
	£6,518

Part of the increased cost of public works is due to an increase in the rate of pay of labourers and a reduction in working-hours.

Secretariat.—Purchases of land were £3,057 lower, and items for the cost of the census and the Ministerial visit totalling £888, which appeared in the previous year, did not recur. The expenditure on the land-settlements scheme increased by £614.

Treasury and Customs.—Appropriations for reserves for assets replacements and the 1937-38 building programme account for £9,500 of the increase. Increased subsidies to superannuation funds amounted to £574.

A comparative statement of revenue and expenditure each year from 1925-26 is shown below :—

Year.	Revenue obtained in the Territory.	Expenditure of the Territory.	Deficit or Surplus.	Subsidy from New Zealand.	Final Surplus or Deficit.
	£	£	£	£	£
1925-26	128,638	145,687	—17,049	21,400	+ 4,351
1926-27	113,812	141,710	—27,898	20,000	— 7,898
1927-28	106,038	143,421	—37,383	20,000	—17,383
1928-29	121,904	157,829*	—35,925*	47,374*	+11,449
1929-30	131,416	150,728*	—19,312*	39,448*	+20,136
1930-31	130,385	140,288*	— 9,903*	21,000	+11,097
1931-32	109,040	128,936*	—19,896*	..	—19,896
1932-33	105,920	98,166	+ 7,754	..	+ 7,754
1933-34	90,613	89,955	+ 658	..	+ 658
1934-35	78,808	76,505	+ 2,303	..	+ 2,303
1935-36	111,867	100,736	+11,131	..	+11,131
1936-37	117,909	116,613	+ 1,296	..	+ 1,296
1937-38	139,450	139,070	+ 380	..	+ 380

* Includes expenditure on extra police : £27,374 in 1928-29, £19,448 in 1929-30, £16,561 in 1930-31, and £10,412 in 1931-32.