

EXPENDITURE.

Head of Expenditure.	1937-38.	1938-39.
	£	£
I. Debt charges	15,060	9,707
II. Administrator and Government House ..	2,655	2,155
III. Education	7,539	8,553
IV. Health	22,579	25,904
V. Justice, Labour, and Public Trust ..	3,236	3,318
VI. Lands and Survey	1,649	2,125
VII. Native	7,820	8,433
VIII. Police and Prisons	8,669	9,424
IX. Postal and Radio	6,360	7,031
X. Public Works	31,436	25,556
XI. Secretariat	9,491	9,025
XII. Treasury, Customs, &c.	23,661	8,769
	140,155	120,000
Less recoveries, Public Trust and Labour	1,085	767
	£139,070	£119,233

The variations are explained as follows:—

Permanent Charges on Public Debt.—No direct payment in reduction of debt, as against £5,500 in previous year.

Administrator and Government House.—General reduction of costs. Salary adjustment of approximately £300 in 1937-38 not required in 1938-39.

Education.—Salary payments increased by £1,763. Reduction in all other items.

Health.—Salary payments increased by £1,355. Increased purchase of stores and liquor, £1,226. Balance of increase due to additional general expenditure due to greater number of patients treated.

Justice, &c.—A full year's salary for the Chief Judge was paid, as against a portion of a year's salary in the previous year.

Lands and Survey.—Salary payments £273 greater. All other items increased on account of extra work done.

Native.—Salary payments £476 greater. Office expenses £177 greater.

Police and Prisons.—Salary payments reduced by £500. Increases: Purchase of fire-fighting plant £800, and rations £577. Latter due to exhaustion of prison plantations and increased ration scale.

Postal and Radio.—New power plant for radio station, £750.

Public Works:—

Main reductions—

	£
Maintenance of bridges	300
Maintenance of buildings	945
Maintenance of roads	1,778
New buildings	1,547
New bridges	276
Plant and vehicle purchases	1,930
New roads	2,563
Sea-walls	250
Capital expenditure, hydro	278
	<u>£9,867</u>

Main increases—

	£
Salaries	276
Sanitation	271
Storm damage, roads and bridges	2,984
Hydro: Stores purchases and installations	429
Hydro: Storm damage	381
	<u>£4,341</u>

Secretariat.—Land purchases were nil, as against £2,213 in 1937-38, and various small items charged in that year totalling £225 did not recur. Expenditure on defence, a new item, totalled £1,650. Fares to and from New Zealand increased by £331, and land-settlement expenses were £240 greater.

Treasury and Customs.—No amount was transferred to reserves, as against £13,500 in the previous year. Superannuation subsidies were £425 lower.