

payable on loans made during the current financial year; and that the loans provisionally granted would, if accepted, be subject to such additional rate of interest as Parliament might see fit to impose, not exceeding 6 per cent.

ESTIMATED EXPENDITURE FOR THE YEAR 1889-90.

ORDINARY REVENUE ACCOUNT.

Estimated Expenditure, 1889-90.

Table No. 7.
Ordinary Revenue Account,
£4,117,331.

I now come to the consideration of the expenditure and revenue of the current year; and, according to custom, I first deal with the expenditure. The estimated total ordinary expenditure is £4,117,331. Of this, £1,613,205 is for interest. Honourable members will bear in mind that, of the £1,888,405 which appears as interest and sinking fund under the permanent Acts, about £275,200, although charged against revenue, is recouped to the Consolidated Fund by the issue of debentures under the Consolidated Stock Act of 1884. It is very necessary to remember this fact, as the larger sum is often spoken of as the amount of annual interest we have to pay, and so our financial position is assumed to be worse than it really is. Full details of the expenditure will be found in the estimates, which will be in the hands of honourable members immediately. There are no items requiring special remark, but I may call honourable members' attention to the increase in the education vote which is necessitated by the usual annual increase in children of the school-age. The estimates also include £25,000 for school-buildings. I must, however, point out that, although we have increased the salaries of officers receiving less than £200 a year by a total of £4,522, and of officers of higher grades, to rectify inequalities, which I last session announced should be inquired into, by £1,605, and have also increased the expenses of the Native Land Court by £3,000 to enable the Court to cope with the large increase of work coming before it—I say that, notwithstanding these increases, the proposed expenditure under the thirteen classes annually voted is £39,733 less than the amount granted last year. I hope that this fact will reconcile the Committee to the moderate increases which we have thought it fair to propose. Provision is also made for the continuation of the subsidies to the local bodies at the same rate as was paid last year.

Estimates include £25,000 for school-buildings.

Proposed expenditure under annual votes, £39,733 less than granted last year.

LAND FUND.

The estimated expenditure chargeable against the Land Fund is £122,000. This is a small increase upon the expenditure of last year, which was £119,496. This increase, however, arises from the management of roads having been transferred to the Survey Department from Public Works.

Land Fund Account, £122,000.

TOTAL ESTIMATED EXPENDITURE.

The total estimated expenditure is therefore £4,239,331, being £4,117,331 chargeable against the ordinary revenue, and £122,000 against the Land Fund.

Total, £4,239,331.

ESTIMATED REVENUE FOR THE YEAR 1889-90.

Estimated Revenue, 1889-90.

Table No. 8.
Ordinary revenue,
£4,187,800.

Customs,
£1,550,000.

Railways estimated to yield net £370,000.

Assuming the present taxation to remain unaltered, I estimate that we shall obtain for the year 1889-90 a revenue of £4,187,800. This amount includes the estimated sum of £275,200, which is paid as sinking fund to the Trustees of the Sinking Funds, out of revenue and investments of accrued sinking funds, and then recouped to the Consolidated Fund by the sale of an equivalent amount of debentures issued under the Act of 1884. I have estimated the receipts from the Customs at £1,550,000. I have reason to expect they will reach that amount; but trade has not yet become entirely settled and steady, and there are even yet, I am informed, stocks in hand cleared before the increased duties came into force. It is therefore impossible to make a very accurate estimate, and I wish to guard myself by pointing out the difficulties under which my estimate is made. With reference to the railway estimates, honourable members will see that an increase to the revenue is anticipated to the extent of about £28,800; but, as the expenditure is estimated at about £18,800 more than last year, the net revenue receivable is only increased from £360,000 to £370,000. It is natural and right that the Commissioners should not take too sanguine a view of affairs, but I certainly hope the result of the year's working will prove to be larger than they anticipate. It will be seen that there is a satisfactory increase