

CONCESSION OF RATE OF INTEREST, AND REBATE ON RENTS OF CROWN TENANTS.

In respect of the above excess of earning over the cost per annum of loans, I ought to mention that it is proposed to reduce by one-half per cent. per annum the interest charged upon advances to settlers, and also to allow a rebate of the same amount upon rents payable by Crown tenants, if, in both cases, the instalments are paid within a certain number of days of the proper due date. There is also likely to be a reduction made in the interest charged for loans under the Government Loans to Local Bodies Acts, as proposals will probably be placed before you to enable local authorities to obtain these loans under alternative schemes at lower rates. These concessions will materially reduce the earning which is shown in the table just referred to.

1899-1900.

To these particulars and those given in the several returns relating to the finance of the past year which are already in the possession of honourable members, there is little further to add, and I think you will be more interested in ascertaining what are the prospects of, and what finance we propose for, the year which is now current.

The expenditure for the present year is estimated at £5,059,729, which is £201,218 in excess of the actual ordinary expenditure of the past year, and £209,899 in excess of the estimate for that year. I shall only very briefly refer to the increases, as I have no desire to weary honourable members with the figures which they will be able to see for themselves when they examine the tables appended to this Budget, and the details supplied in the estimates which will presently be laid on the table. The estimate of the charges for interest and sinking fund is practically the same as last year's expenditure, arising principally from our probably being able to recover the amount of interest required for debentures issued for the purchase of estates for land-settlements, which about covers the extra interest payable upon the additional loans. Under the permanent Acts a large additional expenditure is shown, caused by £150,000 for old-age pensions, and another new item of £4,000 for compensation for stock destroyed. The estimate for departmental votes is stated at £2,761,195. In respect to these increases £20,000 belongs to the Colonial Secretary's Department, in connection with the coming general election and licensing expenses. The Education Department absorbs an additional sum of about £15,000, and we must expect to provide for an increased vote as long as settlement keeps increasing and education has to be provided. In the Defence Department, the necessity for a high state of efficiency and preparedness has been obvious for some time past. Greater activity amongst the Volunteers has led to additions to the numerical strength, and consequently increased capitation-grants are applied for. The increase in this class is over £7,000. It was determined last year that the Police Force must be strengthened and made more efficient, and an increase of some £5,000 has therefore to be faced. In addition to this the sum of £1,500 is required as a first and annual contribution to the Police Superannuation Fund which Government consider should be established. The Lands and Survey Department shows an increase in the estimate for this year of £17,000 as against the expenditure made last year; but this excess is chiefly owing to the much smaller sum, treated as "credits," set down in reduction of the expenditure. Last year the amount received in this way was £36,092, including over £26,000 from the North Island Main Trunk Railway Loan Deposit Account, while this year "credits" are not estimated to produce more than £17,000. With the increasing demand for land, and roading of same, it follows as a natural sequence that more surveyors must be employed, and exception to the increased expenditure under this head cannot be reasonably taken.

I can assure honourable members that great care has been taken in the preparation of the estimates so as to secure the utmost economy, and very few increases have been allowed on salaries of £200 and upwards, except such as are governed and allowed by the Classification Acts; and, speaking of these Acts, I may mention that the classification of the Postal, Telegraph, and Working Railways Departments has resulted in increases to salaries to the amount of