

## BUDGETARY POSITION FOR 1938-39.

I now come to the budgetary position for the current year:—

## EXPENDITURE.

The expenditure chargeable against the Ordinary Revenue Account of the Consolidated Fund for the current financial year is estimated at a total of £35,587,000. Full details are shown in the estimates, copies of which will be supplied to honourable members presently. Provision has also been made for £200,000 to cover supplementary estimates and contingencies.

After eliminating the amounts totalling £3,181,000, which are transferable to Main Highways Account and to local authorities—which amounts are offset by an equivalent amount of revenue—and allowing for the sum of £853,897 which was transferred to the general reserve last year, it will be noted that, on a comparative basis, the estimated expenditure exceeds last year's actual results by a total of £846,626. **Main highways.**

Debt services constitute the largest single item of expenditure, although one of the smallest items of increase. The debt charges for the current financial year are estimated at £9,544,000, an increase of £103,000 compared with last year's expenditure. The success of the Government's management of the public debt is shown by the fact that during the past three years debt charges have increased by an average of only £66,000 per annum in spite of the substantial capital works which have been carried out in the Dominion. **Debt services.**

The major portion of the comparative increase in expenditure arises in respect of annual votes. **Annual votes.**

As regards social services, comparative increases are provided for under practically all headings, and I propose to deal with these separately.

Under vote "Health" the comparative increase of £117,000 is accounted for principally by additional expenditure arising in connection with the milk-in-schools scheme (£67,000), and £16,000 for extending the scope of dental services throughout the Dominion. **Health.**

The milk-in-schools scheme reflects great credit on all concerned. The object of this service, under which milk is supplied to school-children free of charge to the parents concerned, is to improve the standard of health of the rising generation. Details regarding the results which have been achieved to date in this connection will be found in the Health Department's annual report.

The dental service now serves 1,600 schools, and 90,000 children receive regular dental attention. With the objective of making the service available to all primary schools, the Government is erecting a modern training centre in Wellington. One hundred and forty nurses are now in training and seventy-five are being appointed for training each year as against the previous maximum of forty. Provision has been made for the opening of dental clinics in twenty-three new centres during the year and fourteen existing centres are being strengthened by the appointment of additional staff. It is confidently expected that the service will be available to all primary schools within the next three years.

Vote "Education" is responsible for a comparative increase of £312,000, a large proportion being due to an increase in the number of teachers consequent upon the increased number of pupils attending the State schools, together with a reduction in the size of classes. **Education.**

The conveyance of primary and post-primary pupils to schools is being extended still further, and this with additional provision for boarding-allowances involves an estimated increase of £37,000 per annum.

Grants to University colleges have been substantially increased, and the cost of a new Chair in Public Administration at Wellington is being borne by the State.