

by, one-half of my figures may be said to have been already realised. But as I do not desire to be too sanguine with regard to our receipts, I have refrained from enlarging last year's figures unduly, although I might, if optimistic, do so, in consequence of the satisfactory results already arrived at. There are, however, risks which cannot be avoided; for instance, should our harvest be unfavourable, or, as the outlook portends, should the season be late, there would be a serious falling-off in the railway revenue of the year. Again, there is a lull in respect to mining investments, and it is hopeless to expect that the mining activity of last year will be maintained. We must therefore be prepared for a decrease in Postal and Customs revenue from this cause. I have dealt more fully with this in my remarks upon the estimated revenue.

ESTIMATED EXPENDITURE, 1897-98.

The total estimated expenditure is set down at £4,622,843, representing an increase of £90,664 over the appropriations of last year, and of £112,862 over the expenditure during that period. The permanent charges are estimated to exceed the actual expenditure of last year by the sum of £58,367, the annual appropriations by £83,684. Among the permanent charges, interest on the public debt is responsible for an additional sum of £59,653; but in the remarks I have already made when referring to the position of the public debt I think I have fully accounted for this extra charge, a very large proportion of which is returned to us, either in the way of territorial rents, or in actual interest and sinking fund on the moneys borrowed by local authorities and settlers.

The increase to the annual appropriations looks large, but a careful examination of the classes and votes will prove that every possible economy has been effected; and it must be expected that while the commercial prosperity of the community increases, the wants and requirements of the colonists will also increase, and should be practically recognised as far as possible. It must be admitted on all sides that certain heads of our expenditure must year by year increase alongside the natural growth of our population, and in relation also to the general prosperity, which we gladly welcome. These heads of expenditure may be named as "Education," "Maintenance of Lunatic Asylums and Charitable Aid," "Postal and Telegraphic," and our "Working Railways." The estimated expenditure for these services amounts to £1,669,842. Deducting this sum from the total of the annual appropriations for the current year, the balance of £822,207 which is left compares very favourably with the amount of the actual expenditure during last year upon similar services. The following table will show the position:—

—		Actual, 1896-97.	Estimate, 1897-98.	Increase.	Decrease.
		£	£	£	£
Class	I. Legislative Departments ...	20,328	19,538	...	790
	II. Colonial Secretary's Department ...	101,922	73,597	...	28,325
	III. Colonial Treasurer's Department ...	29,835	24,727	...	5,108
	IV. Justice Department ...	123,294	122,996	...	298
	VI. Customs and Marine Department...	91,050	74,432	...	16,618
	VII. Stamp and Deeds Department ...	22,381	21,770	...	611
	VIII. Labour Department ...	7,206	6,425	...	781
	IX. Mines Department ...	18,107	16,476	...	1,631
	X. Agricultural Department ...	50,033	56,405	6,372	...
	XII. Public Buildings ...	45,371	46,400	1,029	...
	XIII. Defence Department ...	68,552	79,627	11,075	...
	XIV. Police Department ...	101,330	108,158	6,828	...
	XV. Lands and Surveys Department ...	116,669	131,316	14,647	...
	XVI. Rates on Crown Lands ...	509	900	391	...
		796,587	782,767	40,342	54,162

I have not included the Valuation Department, the expenses of which are estimated at £39,440. The valuation of our lands has been ordered by