

Parliament, and I cannot be held responsible for the extra expenditure which has to be incurred in carrying out the direction of the Legislature. All I can say is that the utmost economy has been exercised, and that the most careful consideration has been given to the vote which is included in our estimates.

The above table shows a net decrease of expenditure amounting to £13,820 as estimated for the current services of the year for the various executive departments I have enumerated. On the other hand, the Departments of Education, Lunacy, Post and Telegraph, and Working Railways are responsible for an increase of £58,064 for services which must necessarily increase year by year if they are to be efficiently and satisfactorily maintained; the Valuation Department is accountable for £39,440, making a total increase of £97,504. Deducting the decrease as previously stated of £13,820, we arrive at the net increase of £83,684 in the annual appropriations over the actual expenditure of last financial year. It will be noticed that amongst the few departmental increases the Defence and Police Departments, and the Lands and Survey Departments, show the largest figures. For the Defence Department an increase of £11,075 is set down, an amount very much smaller than the proposals of our Commander of the Forces, if given effect to in their entirety, would necessitate. That our Police Force requires strengthening cannot be gainsaid. The demand for land-settlement necessarily causes increased Survey expenditure, and I am sure honourable members will find no fault with this.

ESTIMATED REVENUE OF 1897-98.

The revenue proper for the year is estimated at £4,723,400, or £2,399 less than the amount actually received last year. In addition, the ways and means will be aided by the proceeds of debentures, amounting to £69,600, drawn against the sinking funds. The estimated receipts for the year will, therefore, total to £4,793,000, or within £3,099 of last year's actual receipts. These estimates are over £300,000 in excess of the amount estimated as the revenue of last year.

In framing our figures for the current year I am met with the difficulty of opposing desires. The results of last year's receipts were so surprising that proper caution prevents me from accepting them without some discount; at the same time, I do not wish to be accused of pessimistic views by showing by reduced figures that I have doubts as to the continuance of such satisfactory receipts.

For Customs revenue I have set down an increase of £61,000 over last year's receipts, and I hope I shall not prove too sanguine in adopting these figures, for importers may find themselves fully stocked and our importations may be proportionately reduced. The railway revenue of last year was extraordinarily large, but the flood-damages in the Hawke's Bay District, and the severe drought in southern Canterbury and northern Otago, have proved detrimental to the receipts of the respective lines, and it is not therefore wise to anticipate so large an amount of receipts: I have therefore discounted last year's figures to the extent of £12,000. My colleague the Minister of Lands informs me that we must look for a shrinkage in our territorial revenue. A very much smaller area of land is likely to be offered for cash sales; the deferred-payment system is rapidly running out; and rents of pastoral runs are falling in. For these and other causes the territorial revenue has been estimated at nearly £23,000 less than the actual receipts of last year produced. The only other head of revenue calling for remark is that relating to the land- and income-tax, which shows a decrease of nearly £13,000. The cause of this is easily traceable, and is the result of the acquisition of large parcels of lands purchased by the Government under the Land for Settlements Act. Of course, directly they become the property of the Crown no land-tax is payable; but this loss of direct tax is more than made good by the benefit derived from close settlement. The repeal of the tax on the agents of non-resident traders has also to be allowed for.