

Under special Acts there will be found an increased estimated charge of £96,092, represented by payments to be made to old-age pensioners.

There is a net estimated increase of expenditure under the annual appropriations amounting to £320,661, and the Departments of the Post and Telegraph (£38,039), Education (£85,247), and Working Railways (£155,080), are answerable for a total of £278,366.

The cost of the general elections has lessened the Colonial Secretary's departmental expenditure by £40,000, and in the Industries and Commerce Department there is a reduction of estimated expenditure of £29,350, represented chiefly by the withdrawal of the subsidy for the South Africa direct steam service.

Other Departments are represented by increases or savings of small amounts respectively.

REVENUE.

The estimated revenue for the current year, including sinking fund increases, may be stated as £7,867,000, or £217,641 in excess of the actual receipts during the previous financial year.

Such figures as these are startling when it is remembered that our population does not yet reach a million; and it is proved in every direction that our revenue is paid by our people without being a burden upon them individually, as is evidenced by the wonderful prosperity which exists from one end of New Zealand to the other.

Honourable members sitting opposite have from time to time adversely criticized the results of the previous years' receipts, alleging that the Government in office has purposely underestimated the revenue for the purpose of swelling the surplus, although they did not explain how such a result could be effected. Other critics have stated that the underestimates were the result of want of proper knowledge of the matter dealt with.

The real fact is that year after year the Colonial Treasurer has believed that the revenue of the previous year could not be largely exceeded, and that it would be unsafe to increase the estimated revenue beyond the figures set down. But it has been made clear that the zenith of our prosperity has not been reached, and the large increases in our receipts have been tangible proofs of this.

With these remarks I will now proceed to explain some of the estimated increases for the current year. I have estimated the Customs revenue at practically the same amount as came in last year; the increase of population and of closer settlement on the land, together with the general prosperity, justify the belief that we shall reach the sum set down. The same arguments apply to the estimated increase from Working Railways receipts, amounting to £161,582.

Stamp revenue is estimated to reach £42,237 in excess of the actual receipts of last year. Land-tax is expected to expand by nearly £20,000, but the income-tax will not, I think, produce more than was received the previous year.

The remaining heads of revenue are estimated at much the same amounts as the actual figures of last year, excepting territorial revenue, which I have estimated at nearly £16,000 less than last year's receipts, arising principally from the falling-off of cash land-sales.

ESTIMATED RESULTS AT THE CLOSE OF THE CURRENT YEAR, 1906-7.

To provide for an estimated expenditure of £7,575,972, we have receipts to come to hand amounting to £7,867,000, which would leave a surplus on the year's transactions of £291,028. To this amount the balance at the beginning of the year must be added—namely, £788,795—making a total of £1,079,823; but as we voted £750,000 last year for transfer to the Public Works Fund, we may estimate a similar transfer during the current year, which when made would reduce the balance to £329,823, and this amount would be available for supplementary estimates and unforeseen expenditure.