

The most experienced men engaged in the wool business of the world recognise that the wool supplies have not increased anything in proportion to the increase of population, and some of the best judges are of opinion that the fall in the value of wool which has taken place, due chiefly to the dislocation of the financial world in Germany and America, cannot long continue, so that we are at least warranted, without attempting to prophesy as to the future of this important staple product, in believing that the present low values must before long advance. To what extent that will take place no one can conjecture, but I mention this matter for the purpose of putting on record my opinion that the future of the wool market is not without hope. It should not be forgotten that, in years gone by, when New Zealand was in a much less satisfactory position than now, heavy drops in the value of wool have been experienced, our people then faced the situation with courage and hope, and I am sure that the same characteristics still prevail.

FINANCE FOR 1908-9.

I now come to the consideration of the expenditure and revenue for the current year.

EXPENDITURE.

The estimated expenditure for the present year amounts to £8,662,993, or £449,028 more than that of last year.

Dealing first with the permanent charges, I find that interest and sinking fund will require an additional £78,000 to meet interest, due principally on the million loan and the debentures issued under the Reserve Funds Securities Act. In the latter case, however, most of the interest is recouped to the Consolidated Fund from the investment of the money raised under that Act. Under special Acts the increase on the total is small, and calls for no special remark.

Coming to the departmental appropriations, there is an increase of £371,000 consequent on the growing requirements of the services. The Postal and Telegraph Department is responsible for £89,000 of this amount, the salary-vote showing an increase of £55,000, which is caused by the employment of additional officers and the payment of increments under the departmental Classification Act.

Working Railways ask for an additional £56,700. Taking into account the increased expenditure involved on the coming into operation of the new Classification Act, the enhanced price of supplies generally, and the additional wages and expenses of working new lines that have to be taken over, the working-expenses of the year cannot be placed at less than £2,020,000, and as the Department expects to earn £2,835,000 for the twelve months there will be a net return of £815,000 to the Consolidated Fund.

The Lands and Survey Department shows an increase of £59,900, which is required for surveys and for providing and equipping additional surveyors, also to cover the cost of grass-seed and relief given to settlers consequent on the drought and bush-fires.

Defence services need £38,000 more than was expended last year. Of this sum £14,000 is to cover the cost of the recent Easter manœuvres held throughout the Dominion. The good results attained will, I feel sure, justify that expenditure. £10,000 is also required for equipment, ammunition, and warlike stores, and additional funds are needed for capitation and other services.

Education Department asks for an additional £35,000, which to a great extent is due to natural increase of the services, further sums being required for technical education, training-colleges, and secondary education.

Industries and Commerce and Tourist Department is responsible for an increase of £16,700. The chief cause of the increase is owing to the recoveries made by the Department being credited to revenue, as required by legislation passed last session, instead of to the vote as hitherto.