

It is thus evident that the economies introduced by the Government are beginning to take effect, and I am glad to be able to announce that the rapid annual increase in expenditure disclosed by the following table has been effectively checked :—

EXPENDITURE OF ORDINARY REVENUE ACCOUNT UNDER APPROPRIATIONS FOR
THE FINANCIAL YEARS 1913-14 TO 1921-22, INCLUSIVE.

Year.	Expenditure.	Excess over Previous Year.
	£	£
1913-14	11,825,864	743,826
1914-15	12,379,803	553,939
1915-16	12,493,107	113,304
1916-17	14,058,770	1,565,663
1917-18	15,120,287	1,061,517
1918-19	18,673,599	3,553,312
1919-20	23,781,524	5,107,925
1920-21	28,068,730	4,287,206
1921-22	28,466,838	398,108

Interest and sinking fund charges increased during the year by £610,685, and scale increases to the salaries of State employees amounted to £226,443. The small net increase for the year is, however, more than set off by an asset in the reserve stock of coal held by the Railway Department.

The decrease in the rate of expenditure is definite. Conditions, however, are such as to make it imperative that the present rigorous policy of economy must be adhered to, for safe finance demands that public revenue and expenditure should balance. Future expenditure must be subject to careful review, and constant pressure applied to ensure that money is spent wisely, also that the State receives full value for its expenditure.

PERMANENT CHARGES FOR THE YEARS 1913-14 AND 1921-22.

The expenditure on permanent charges compared with 1913-14 shows an increase of £8,638,072. Most of this increase is due to causes beyond administrative control, such as the late war and the effect it had on the cost of living, and also to normal expansion. The following items will show this more clearly :—

<i>Directly due to the war :—</i>	£	£
Interest and sinking fund on war loans ..	4,657,766	
War pensions	1,722,596	
		6,380,362
<i>Indirectly due to the war :—</i>		
Increase to old-age, widows', military, and miners' pensions, due to increased cost of living ..	414,200	
Butter subsidies	240,270	
Increase in rate of interest on new loans and renewals	250,000	
Increase in subsidies to Hospital Boards, due largely to increased cost of maintenance, food, drugs, &c.	276,172	
Increase in subsidies to local bodies, necessitated by increased rating	73,214	
		1,253,856
<i>Increases in—</i>		
Old-age pensions	231,563	
Education grants	90,000	
		321,563
<i>Increase in subsidies owing to expansion :—</i>		
National Provident Fund	61,275	
Superannuation Funds	64,000	
		125,275
Epidemic pensions	72,500
		<u>£8,153,556</u>