

NAVAL DEFENCE.

The expenditure on naval defence for the financial year amounted to £293,244, made up as follows :—

Permanent charges—

Naval Defence Act, 1909—H.M.S. “ New Zealand ”—

	£	£
Interest	77,081	
Repayment of funded debt	4,938	
		82,019

Annual appropriation—

Vote, Naval Defence (“ Philomel ” and “ Chatham ”) 211,225

£293,244

The time has arrived when we should participate to a greater extent in the naval defence of the Empire and assume a share of the burden which it entails. I propose, therefore, to ask honourable members this year to increase the total appropriation for naval defence to £500,000. This amount will include the working-expenses provided for within the vote and a sum not exceeding £100,000 as a contribution towards the cost of establishing a naval base at Singapore. This base will be of more value to Australia and New Zealand than to any other British countries in the Pacific.

The “ Chatham ” will in the near future be exchanged for an up-to-date oil-burning light cruiser.

The Admiralty have emphasized the necessity for the provision of oil-fuel reserves in the dominion—independent of commercial stocks, which, moreover, are practically non-existent at the moment—before oil-burning cruisers are sent to the South Pacific. An item, therefore, has been placed on the estimates for the erection of a 5,000-ton oil-tank at Devonport, as Auckland has proved to be eminently suitable as a repairing and storing base for a small squadron.

Items appear in the estimates for effecting certain necessary improvements in the facilities afforded by the repair base at Auckland and of the establishments there. A further item of £5,000 has been inserted with a view to relieving the British Government of the subsidy which they have been paying continuously since 1909 under agreement with the Auckland Harbour Board for the payment of £150,000 over a period of thirty years, as under that agreement New Zealand now derives the greatest benefit in the docking and repair of naval vessels.

I may add that the Imperial Naval authorities prefer the system of local expenditure in operation in New Zealand to any direct contributions; and even with regard to the cash contribution towards the cost of a naval base at Singapore, may prefer that the difference between the current expenditure and the proposed total appropriation of £500,000 should be used for strengthening the defences of our ports.

EDUCATION.

The expenditure from Government sources on education services during the past financial year has been as follows :—

Votes from Consolidated Fund—

	£
Department of Education	2,514,991
Special Acts	90,393
Teachers' Superannuation Fund	68,000
Primary-education reserves revenue	103,293
National-endowment revenue	66,610
Education loans for buildings, &c.	351,378*
Public Buildings Fire Insurance Fund	8,542
	<u>£3,203,207</u>

* Does not include cost of raising loans, £10,598.