

The net result of these increases and decreases is an increase of £310,000 in the expenditure under Permanent Appropriations. **Permanent Appropriations.**

Under the "Annual Votes" the estimates for this year are £400,000 in excess of the expenditure for last year. **Annual Votes.**

Social services account for £150,000 of the increase. This includes £100,000 for the normal expansion in pensions, £24,000 additional for Education, and an increase of £27,000 in the vote for the National Provident Fund and Friendly Societies. Concerning the latter increase, it may be mentioned that as an emergency measure the National Provident Fund provided for its own administration expenses for a period of four years out of surpluses, but could not continue to do so, as this was not contemplated when the original Act was passed. **Social services.**

The general elections will increase the electoral vote by £73,000, while the programmes for Naval, Land, and Air Defence will require votes increased by £52,000. Other increases are £47,000 for maintenance of buildings, roads, irrigation works, &c., £23,000 for Agriculture, £16,000 for Industries and Commerce, and £36,000 for External Affairs. The last mentioned is for the reparation estates and the banana trade with Samoa, and will be offset by additional revenue. **Increases in other votes.**

In the aggregate the main estimate of expenditure amounts to £25,211,000, a net increase of £710,000 over the amount expended during last financial year, but, as already indicated, £454,000 of this amount is on account of Highways. **Main Estimates.**

The estimated revenue for the year is £650,000 in excess of the main estimates of expenditure, but about £200,000 of this amount will be required for Supplementary Estimates. The best way of utilizing the remaining margin in the Budget was a matter that received much consideration from the Government. All things taken into account, it was thought reasonable and fair that there should be some further restoration of the cuts in the salaries and wages of the Public Service. It is accordingly proposed to grant a 7½ per cent. general increase in salaries and wages as from 1st October. The net cost to the Budget will be approximately £300,000, of which £120,000 will be reflected by a reduction in the revenue item of "Interest on Railway Capital," while the balance will mean additional expenditure out of the Consolidated Fund. This increase, with that granted last year, will go a long way towards restoring the reductions made, so far as the lower paid men are concerned. **Increase in salaries and wages.**

Another matter that concerns the Public Service is the postponement of the general regrading that was due in 1934. As a result a number of anomalies in grading may not yet have been removed, although individual cases are continually being dealt with. Under the legislation a date for the next general regrading has to be fixed by Order in Council. If the present improvement in conditions continues, as seems likely, it may be found possible to fix a date next year. **Public service regrading.**

It is also proposed to take the opportunity of completing the restoration of the 10-per-cent. cut made in old-age pensions. This will operate as from 1st October, the cost for the balance of this financial year being £63,000. **Restoration of old-age pensions.**

From the same date it is intended to increase by 7½ per cent. the pension rates for widows and miners and for dependants of soldiers whose pensions were reduced. The rates of Economic Pensions under the War Pensions Act are also to be increased by the same percentage. The cost of these increases for the half year is estimated at £32,000. **Increase in other pensions.**

At present a returned soldier's widow is entitled to a pension only if married within two years of the soldier's discharge. Experience has shown that this has occasioned hardship, so legislation is to be brought down to give a widow the right to a pension under the War Pensions Act if she was married within seven years of her husband's discharge from the Forces. It is anticipated that the additional cost for the half-year will be £12,500. **Soldiers' widows pensions.**

The Government has also been concerned about the number of returned soldiers who, quite apart from any wounds or other injuries during their war service, are ageing prematurely or otherwise becoming unemployable by reason of physical or mental disability. A War Veterans' Allowances Bill is to be brought down to provide for special pensions for such cases. The cost for the balance of this financial year is estimated at £30,000. **Allowance for veterans.**

The additions thus made to salaries, wages, and pensions in conjunction with the reduction to be made in unemployment taxation, should give a further impetus to the recovery in trade and industry now taking place. **Impetus to trade.**