

The principal remissions did not take effect at once, but were postponed in the case of sugar, dried fruits, maizena, mustard, spices, cream of tartar, bicarbonate of soda, &c., until 31st October; and in the case of cottons, forfars, linens, glass, &c., until 31st December. Before these dates there was a great holding-back of the entering of goods, no more being entered than the actual demand warranted, and consequently the amount of duty received under these items was for a time abnormally low. Notwithstanding this, it is a matter for congratulation that, as already stated, the total revenue received during the financial year ended 31st March, 1908, was £162,525 more than that received during the previous year.

A large number of items were added to the previously existing list of articles upon which a surtax was charged when of foreign origin; but this extra source of revenue did not become operative until the 31st March, 1908.

#### LAND AND INCOME TAX.

The receipts from land-tax exceeded the estimate by £22,846, and were £90,504 in excess of the amount collected in the previous year. The income-tax receipts show an increase on the estimate of £24,904, and an increase of £27,037 on the collection of the previous year. The total receipts from both taxes therefore produced £47,750 more than was estimated, and £117,541 more than was collected in the previous year.

The land-tax shows a steady increase, apart from the additional revenue resulting from the amending legislation of last year, and this notwithstanding the loss arising from subdivision of estates and the operations of the Land Purchase Department, which is very considerable. The increase in ordinary land-tax amounted to £28,991, which is altogether from increased values; the increase in graduated land-tax amounted to £60,070—this is partly from increased values, and increased rates owing to legislation of last session, and from the stoppage of evasions. The increase in absentee tax—£1,443—is consequent upon the increase in graduated tax principally, upon which it is charged.

I am glad to say that the new provisions in regard to the assessment of the graduated land-tax have proved highly efficient in preventing the extensive evasions of the spirit and intentions of the law which previously existed, and in causing the subdivision of large estates.

#### POST AND TELEGRAPH DEPARTMENT.

Notwithstanding the low postage and telegram rates in force in the Dominion, and the many concessions granted to the public from the beginning of the present calendar year, the growth of the Post and Telegraph Department continues unchecked, the revenue for the past year having reached £822,639. At the present rate of progress the annual revenue will soon exceed one million pounds.

I propose this year to reduce the rental for private boxes in the smaller towns where there is no letter-carriers' delivery from £1 to 10s. per annum. This should be a material convenience to the settlers.

With a view to affording greater facilities to the public, I authorised the extension of the hours at the four principal post-offices, making them 8 a.m. to 8 p.m., instead of 9 a.m. to 5 p.m. as at present.

#### TELEGRAPH AND TELEPHONE EXTENSION.

The amount expended during the financial year 1907-8 on telegraph-extension was £155,491; in addition to this sum there were liabilities amounting to £103,550 on account of material, new lines, &c. 9,656 miles of telegraph-line, and 29,344 miles of wire, were erected during the financial year. The length of submarine cables on 31st March, 1908, was 352 knots, an increase of 54 knots over the previous year. The number of telephone-exchange connections has increased to 23,981, and the revenue therefrom is £116,852 13s. 10d. 1,611 tele-