

railway returns keep up remarkably well, as it must be borne in mind that the reduction in fares and freights has been set down at £160,500 per annum.

Stamps last year brought in £1,591,328, or £18,328 better than the estimate, and an increase of £40,394 on the previous year's receipts of £1,550,934.

The returns from land and income tax reached nearly £926,000, the exact figures being:—

Land-tax	£	604,901
Income-tax		321,044
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					£925,945

or £45,945 in excess of the estimate, and £83,194 better than that of 1907–8.

Miscellaneous revenue is responsible for bettering the estimate by £25,210, the amount received being £264,210, as against an estimate of £239,000, and £45,868 in excess of the previous year's receipts.

Registration and other fees show an increase on the estimate of £2,061, and Marine brought in £3,815 more than anticipated.

The Customs revenue, which I may say has occasioned me more anxiety than any other class of revenue, did not come up to the estimate by £148,752, the total amount collected for the year being £2,801,248, as against an estimate of £2,950,000.

This is due to the large falling-off in import values for the year 1909 as compared with the steady increase for some years previously, the figures for the last three years being:—

1907.	1908.	1909.
£15,323,127	£18,193,808	£16,750,065

This falling-off is no doubt in sympathy with the decrease in the value of exports (now, I am glad to say, showing an improving tendency), which for the same three years were:—

1907.	1908.	1909.
£19,531,614	£17,868,030	£17,029,531

Another contributing factor is that owing to financial disturbances in the commercial world, New Zealand merchants reduced their imports and traded on their existing stocks. Moreover, the abnormal increase in importations during 1908, in anticipation of the coming into operation of the extended preferential tariff which took effect from 31st March of that year, led to the accumulation of large stocks which had to be cleared off.

These special causes for the reduction in Customs revenue are, however, temporary. Traders are already reporting considerably improved business, and I am of opinion that importations will assume a much larger volume, without anything in the nature of over-importing, which from every point of view is not desirable. I feel justified in saying this from the fact that we have had one of the best seasons known in the history of New Zealand. The result of this is demonstrated by a reference to the exports, which for the five months ended 31st May, 1908, amounted to only £8,713,591, as compared with £10,530,163 for the corresponding period of 1909, an increase of £1,816,572. This shows a largely increased purchasing-power, which must favourably affect our imports.

The decrease in duty is mainly apparent on articles of general merchandise liable to *ad valorem* duties. Those articles which may be regarded as luxuries, such as spirits, cigars, cigarettes, tobacco, wine, ale and beer, show little difference.

There is also another indication of a decided improvement in the financial outlook, the excess of deposits in the Post-Office Savings-Bank over the withdrawals for the month of May being £64,115.

There was a slight falling-off in beer duty, and there was also a drop under territorial revenue of £13,143.