

## CONVERSIONS.

Under the authority of the Finance Act of last session all holders of debentures maturing on or before the 1st December, 1916, were offered the option of converting into debentures of similar terms and currency to the £2,000,000 loan raised in the Dominion for public works, and a sum of £208,900 was thus converted. I subsequently made a proposal to holders of debentures maturing on or before the 31st March, 1924, to convert into debentures with a currency of twenty-five years and bearing interest at  $4\frac{1}{2}$  per cent. free of income-tax. The result was most gratifying. Up to the end of April debentures to the amount of £1,891,100 had been thus lodged for conversion.

It will be seen that the total amount provided for under these three headings for a considerable period amounts to approximately £12,000,000, and this, when considered in conjunction with the net surplus of £2,017,030, may be looked upon as an extraordinarily strong position with which to face the developments of the future, which are rendered uncertain by the impossibility of forecasting the termination of the war.

Treasury bills, which at one period of the war reached the record amount of £1,950,000, were all paid off before the 31st March.

## CUSTOMS.

When the estimate of Customs revenue was made for the year just closed it was anticipated that there would be a considerable restriction of importation owing to increased freights, lack of shipping facilities, difficulty of getting orders fulfilled, and the total exclusion of trade with Germany and central Europe. The revenue was accordingly estimated on a conservative basis at £2,800,000. In addition to this, it was expected that primage for seven months, and increased duties on spirits, motor-cars, gas and oil engines, would bring in £145,000, making a total of £2,945,000. The amount actually realized was £3,365,568, being £420,568 over the total estimate. This remarkable surplus is accounted for mainly by the great increase in the value of goods the world over. While the volume of imports has somewhat decreased, the value remains approximately the same as in former years. The following comparison of tonnages and values of imports shows this :—

Year.	Tonnage.	Value. £
1913 .. .. .	22,288,302	1,563,464
1914 .. .. .	21,856,096	1,538,755
1915 .. .. .	21,728,834	1,370,057

It is gratifying to note that Great Britain and British dominions still maintain their full share of the goods ordered for New Zealand. Out of the total imports of £21,728,834, Great Britain and British dominions sent £17,727,137, the balance being distributed between the United States and other countries.

The new duties for the seven months during which they were in operation amounted to £149,000, and of this amount primage duty of 1 per cent. on all imports was responsible for £98,000.

Comparative figures showing the value of exports for 1914 and 1915 are as follow :—

1914.	1915.
£26,261,447	£31,748,912.

The value of the exports for 1915 is the highest ever recorded, the increase being, of course, greatly due to the high prices of our staple products.

The following return shows the rise in average value of the principal articles exported for the years 1913–14, 1914–15, and 1915–16 :—