

Compared with the revenue proper of the previous year (1899–1900), which amounted to £5,580,385, there is an excess of £272,320, of which £73,295 was derived from Customs, £43,036 from Stamps, £45,936 from the Land- and Income-tax, £99,028 from Railways. Other items of revenue produced a net increase of £11,025. These figures conclusively prove the wonderful progress the colony has made without any undue pressure upon the taxpayer to contribute to its revenue. Turning now to a comparison of results between the estimated and the actual revenue for the year ended 31st March last, I find that my estimate has been exceeded by the sum of £429,516. Under all the heads of revenue except one the estimates have been exceeded. The following are the figures: Under Customs, £157,861; Stamps, £48,935; Land- and Income-tax, £43,393; Beer Duty, £2,170; Railways, £146,241; Marine, £3,353; Miscellaneous, £2,411; Territorial, £30,203; and Recoveries, £1,411. Under the head of Registration and other Fees the revenue was £6,462 less than was expected. A word or two of explanation of these increases may be necessary. First, as to the Customs revenue—which I have mentioned as being £73,295 more than the previous year, and £157,861 in excess of my estimate—I may remark that in my estimate for the year I took off nearly £85,000 from the actual receipts of the previous year so as to provide against the anticipated loss arising out of concessions which I had stated in my Budget would probably reach £157,000. In spite, however, of the reduction of duty made on leading lines of goods, there has been an extraordinary clearing of other lines untouched by tariff alterations, which have resulted in large increases of revenue. Take, for instance, duty on “Spirits,” increased by £22,800; “Tobacco,” £15,800; “Cigars” and “Cigarettes,” £9,100; “Sugar,” £3,500; “*Ad Valorem* Goods” and other items, £98,000. These items, which are mainly luxuries, may be taken as clearly demonstrating the increased earning-power of our colonists, and the prosperity which arises therefrom. It is quite likely that the visit of their Royal Highnesses the Duke and Duchess of Cornwall and York to some extent inflated the figures connected with the *ad valorem* duties. At all the gatherings to welcome our future King, I was impressed with the appearance of thorough content and prosperity which was exhibited by the vast crowds assembled to do honour to the Duke and his amiable wife the Duchess.

Last year the stamp-revenue increase of nearly £49,000 over the estimate was caused by anticipating a reduction of £20,000 from the penny-postage concession which in reality did not take place, the sales of the new stamps making good any loss arising from the reduced rate, while the “dredging” boom is, I think, responsible for a large increase in the sale of adhesive stamps. Impressed-stamps sales, and the bank composition, were considerably increased over the estimates.

The concession made by my worthy colleague the Postmaster-General has given universal satisfaction; and I feel sure the loss to the revenue by the adoption of an universal penny postage will be rapidly made good by increased correspondence.

Concerning the increase over the estimate of £43,000 in the Land- and Income-tax, I may mention that the land-tax was within £500 of my expectations, and the income-tax exceeded them by nearly £43,000.

The Railways revenue has produced a very handsome surplus over my colleague's estimate, which was the exceedingly high one of £1,574,400. The passenger traffic and the goods carried continue to be maintained, and afford a sure barometer of the substantial prosperity of our colonists and of the development of our industries.

The increase over the estimate of £30,000 in Territorial Revenue arises from land sales for cash, £18,000; and from rents of pastoral runs and miscellaneous items altogether amounting to £12,000. With regard to the item of £6,400 overestimated under Registration and other Fees, I find that I was over-sanguine as to the fees to be received under “The Government Valuation of Land Act, 1896”: these fell short of my estimate by about £6,000.