

local authorities who rate themselves to the extent of $\frac{1}{2}$ d. in the £ and over would necessarily receive more consideration than those who rate under this amount. The whole question is one surrounded by considerable difficulty, and I trust when the Bill is circulated both to the House and to local bodies throughout the country the proposals will be fully considered with a view to making our local-government law as efficient as possible.

The intention is to create larger bodies, and give them greater powers than they possess at present.

EDUCATION AND LIBRARIES.

The restoration of the votes for School Committees and for libraries will give as much pleasure to those concerned as to the Government in restoring both items. I also hope to make additional provision on the supplementary estimates for the maintenance and rebuilding of schools. The amount on the main estimates is about the same as was voted last year, but it may be found necessary to provide still further funds for this important purpose.

FINANCE FOR 1910-11.

I am pleased to be able to say that the outlook for the present financial year is very satisfactory. The operations of the year should give a considerable balance on the right side of the ledger.

EXPENDITURE.

This is estimated at £9,316,470, against the actual expenditure of £8,980,504 during last year. There will be increases as follows: Permanent charges, £157,701; departmental, £178,265. The permanent charges will, of course, increase as the amount of interest on our public debt grows. Principal increases are,—

					£
Interest	....	....	....	....	75,327
Land Act	....	....	....	....	17,696
Old-age Pensions	....	....	....	....	26,189
Contribution to Railway and Police Superannuation Funds	....	....	....	....	28,000

Departmental expenditure will amount to £5,644,360, being £178,265 in excess of last year. The principal increases are,—

					£
Post and Telegraph	....	....	....	....	57,871
Railways	....	....	....	....	55,086
Education	....	....	....	....	66,399
Defence	....	....	....	....	22,350

The first three are due to expansion of business, and that of Defence to the alterations in the system.

REVENUE.

My estimate of the revenue for the current year is £9,611,575, being £373,314 in excess of that of last year.

The Customs revenue promises to show a large increase. I estimate the total for the year at £2,850,000, and Railway revenue at £3,250,000.

The revenue derived from Customs for the first three months of the present financial year shows the satisfactory increase of £71,000 over the amount received for the corresponding quarter of last year.

This is, no doubt, the natural reaction consequent upon the great surplus of exports over imports during the year just closed. This surplus amounts to £6,128,438, while the value of the exports, as compared with the value for year ended 31st March, 1909, shows an increase of £4,475,273, the figures being £21,490,519 against £17,015,246.

Commercial advices are that heavy stocks of goods are on order and afloat, and there is every reason to expect that the Customs revenue for 1910-11 will amount to £2,850,000, including £55,000 surtax and £55,000 from parcels-post, being an estimated excess over the amount collected last year of £178,875.