

The excise duty on beer for 1909-10 was about the same as usual—namely, £115,000; and, as there is no reason to expect any material alteration during the current year, the estimate for 1910-11 is set down at the same amount.

The cost of collecting the Customs revenue and beer duty should not greatly exceed  $1\frac{1}{2}$  per cent., the exact figures for the year just closed being £1 11s. 8d. per cent.

I estimate that under existing rates, and not taking into account any possible alteration in the law, land-tax will produce £625,000, and income-tax £325,000, the two giving a total of £950,000. These two sources of revenue are now providing nearly a million a year.

For the reasons given before as to the effect of the legislation of 1907, I do not deem it wise to expect more from the land-tax than the sum mentioned, which is £17,270 less than collected in 1909-10.

As regards income-tax, my estimate is £8,165 more than the collection of 1909-10, but, having regard to the improvement in trade and commerce during the latter part of the year ending March last (for which the returns will be made), there is very little doubt this will be achieved. I have pleasure in placing the estimated results before you, and I think they may be relied on as being on the basis of a safe estimate, and I am entitled to say that it gives a very strong position for the current year.

I have estimated the results to be,—

|                                                                             | £          |
|-----------------------------------------------------------------------------|------------|
| Balance from last year .....                                                | 432,316    |
| Estimated revenue for 1910-11 .....                                         | 9,611,575  |
|                                                                             | <hr/>      |
|                                                                             | 10,043,891 |
| From this I deduct the estimated expenditure .....                          | 9,316,470  |
|                                                                             | <hr/>      |
| And the balance at credit at the end of the current financial year is ..... | £727,421   |

This amount will be subject to alteration after we know what it is necessary to provide on the supplementary estimates.

#### LOAN FOR PUBLIC-WORKS PURPOSES.

We come now to the question of the requirements of the Public Works Fund for the next twelve months.

There is a great demand for roading, railway expansion, and other public facilities, necessitating the raising of an additional loan. The balance of the Public Works Fund on the 31st March last, with the available borrowing-power, was £662,366. To augment this amount I propose to transfer £500,000 from the Consolidated Fund. This, however, will not be sufficient for the prosecution of the urgently required works which it is our policy to vigorously push on, and I therefore propose to ask Parliament to authorize a loan of £1,750,000 for railways, roads, and other public works.

#### CONCLUSION.

I have had in the course of my remarks to cover a large amount of ground rapidly and in general terms. I think it will be conceded that the extent and importance of the subjects I have dealt with will call for your earnest and interested consideration. The closing words which apply to all I have said are those of hope and courage. Our first need as public men is still to have trust in the future of New Zealand. This young nation can achieve whatever it believes it can achieve; and in this land, with its rich endowment of nature, with a sturdy people mostly of British stock, we need not fear the future, hence I repeat "hope and courage," not "fear and misgiving," should be our watch-words.