

Further Treasury bills issued in anticipation of revenue were sold in New Zealand as follows: £250,000 in April, 1925; £500,000 in May, 1925; £500,000 in June, 1925: total, £1,250,000: the rate of interest being $5\frac{1}{4}$ per cent. in each case. The whole of these revenue bills were redeemed later in the year when the bulk of the revenue was received, so that there were no bills of this description outstanding at the close of the year.

The redemption bills outstanding at the 31st March, 1926, amounted to £1,400,000, for which a corresponding amount of debt was redeemed on the issue of the bills. Saving on redemption bills.

TEMPORARY INVESTMENT OF SURPLUS CASH BALANCES.

Advantage was taken of the short money-market in London to invest Public Account cash balances which were not immediately required. The total interest earned on these investments during the year for periods ranging from a few weeks to three months was £28,069. Temporary investment of surplus cash balances.

With increasing interest charges it is desirable to make the fullest possible use of investing cash balances more closely, and I am taking steps to enable our facilities in this respect to be improved.

CUSTOMS AND EXCISE.

Including the tire-tax credited direct to the Main Highways Account, the Customs revenue for the financial year 1925-26 amounted to £8,573,388, while that for the preceding financial year was £7,689,192, an increase of £884,196. Customs and excise.

The principal classes of imports from a revenue-producing point of view give the following results:—

	1925-26.	1924-25.	Increase.
	£	£	£
Spirits	1,255,618	1,149,712	105,906
Tobacco, cigars, cigarettes	1,385,568	1,336,182	49,386
Apparel and textiles	1,815,396	1,664,170	151,226
Motor vehicles, tires, and parts	1,154,168	912,567	241,601
Other goods	2,472,185	2,174,887	297,298
Primage	490,453	451,674	38,779
Totals	8,573,388	7,689,192	884,196

Despite the falling-off in the value of exports for the year—due partly to lower prices and partly to lessened production—the imports did not show any contraction and the revenue has been well maintained.

The following table shows the values of imports and exports for each of the past seven financial years:—

Year.	Imports.	Exports.	Excess of Exports.	Excess of Imports.
	£	£	£	£
1919-20	32,162,029	50,776,650	18,614,621	..
1920-21	67,463,269	48,219,672	..	19,243,597
1921-22	35,986,060	43,794,883	7,808,823	..
1922-23	37,112,779	45,548,700	8,435,921	..
1923-24	44,401,756	51,652,606	7,250,850	..
1924-25	49,821,095	54,771,158	4,950,063	..
1925-26	53,025,856	48,697,587	..	4,328,269

It will be seen that for the financial year 1925-26 our imports exceeded our exports by £4,328,269. As the favourable balance (*i.e.*, excess of exports over imports) for the preceding year was comparatively small, the indications are to expect some curtailment of imports at an early date.