

The principal increases in the regular items of revenue are as follows:—

	£
Customs .. .. .	814,488
Stamp and death duties .. .. .	119,536
Post and Telegraph receipts .. .. .	370,853

Against these increases there are the following decreases:—

	£
Land and income tax .. .. .	86,128
Miscellaneous revenue .. .. .	182,536
Recoveries on account of previous years .. .. .	60,019

Of the decrease in land and income tax, £68,592 is on account of land-tax and is attributable to the wider application of mortgage exemption and to the annual shrinkage due to normal subdivision and succession of holdings. There were also less arrears to be collected. Reductions were made in the rates of income-tax last year of an estimated annual value of £150,000, but it is gratifying to note that this was largely compensated for by an increase in the income of taxpayers generally, the net decrease in the amount of tax collected being only £17,536.

Details of the increase in stamp duties will be found in Table No. 6 attached to this Statement.

It will be seen, therefore, that by far the greater part of the real increase in revenue is due to increased Customs receipts resulting from a greater volume of imports.

#### EXPENDITURE.

A detailed comparison of the year's expenditure with that of the previous year will be found in Table No. 7 attached. For the purpose of comparison the railway payments have been omitted from the figures for 1924-25. The net increase shown amounts to £1,807,466, of which £948,417 is on account of permanent appropriations, and is due principally to the following:—

	£	
Interest charges .. .. .	264,537	Permanent appropriations.
Sinking fund and debt-reduction charges .. .. .	214,984	
Railways, on account of isolated sections and branch lines .. .. .	344,830	
Increased benefits under old-age, widows, and blind pensions .. .. .	150,000	

War pensions, however, show a decrease of £62,000.

The expenditure on non-paying lines is a new item, which, as already indicated, is offset by increased returns from railways.

Similarly, the increased debt-reduction charges are covered by the additional receipt of interest on the Public Debt Redemption Fund.

The net increase in permanent appropriations is thus only about £388,000.

The increase in expenditure under departmental votes amounts to £859,049.

The principal increases were:—

	£	
Maintenance and repairs to roads .. .. .	52,679	Annual appropriations.
Pensions Department .. .. .	88,409	
Internal Affairs .. .. .	68,796	
Naval defence .. .. .	157,847	
Defence .. .. .	88,387	
Electoral .. .. .	94,375	
Education .. .. .	102,448	

The increases for Pensions and Internal Affairs Departments are largely due to taking over new liabilities on account of soldiers' treatment and war graves, &c., consequent on the closing of War Expenses Account. The increase for Naval defence is owing to the fact that a second cruiser joined the station during the year; while increased provision for military camps and trainees accounted for much of the increase in vote Defence. The increased expenditure under vote Electoral represents the cost of the general election, while that for Education is due to the usual expansion.