

5. From the above it will be seen that the quantity of spirits taken for consumption during the past fiscal year is greater by 638,385 gallons, or  $21\frac{1}{4}$  per cent., than the quantity taken in 1878, and greater by 473,597 gallons, or nearly 15 per cent., than the average quantity taken during the four preceding years. Percentage of increase.

6. The increase in the quantity of spirits taken for consumption occurred chiefly during the month of February, in anticipation of an increase in the Excise duty. A large proportion of the quantity thus taken out of bond is without doubt still in the hands of dealers, and has had the effect of reducing the quantity that would otherwise have been entered for consumption during the current year. Cause of increase.

7. With reference to illicit distillation, I regret to have to report that there is reason to believe that frauds of this description are still largely practiced, though the number of seizures is less than in the preceding year. Illicit distillation.

The statement in Appendix C shows the number of illicit stills seized and condemned during the past fiscal year; the names of the parties implicated in the frauds, and the nature of the punishment inflicted in the cases in which a conviction was obtained.

8. The quantity of spirits held in bond at the commencement of the past fiscal year was 1,626,512 proof gallons, and at the end of the year the quantity was 1,265,977 proof gallons, being a decrease of 360,535 proof gallons. This decrease is due to the large quantity ex-warehoused for consumption in February, and nearly the whole of the quantity in warehouse at the end of the year was manufactured subsequent to that date. Spirits in bond.

9. The quantity of spirits exported in bond in 1878-9 was 134,217 proof gallons, a decrease of 30,143 gallons, as compared with the exports of the previous year. Spirits exported.

10. Two statements are given in the Appendices A. and B., showing the consumption of goods subject to Excise (including similar goods imported and subject to Customs duty) per head of the estimated population in the several Provinces, and in the Dominion, during a series of years, being a continuation of similar statistics in former reports. Consumption of excisable goods per capita.