the time is not far distant when we shall be able to extend remissions still further in this direction. The loss to the revenue by this remission will be £5,000.

STAMP DUTIES.

These might be increased in several cases, but, looking at the fact that these duties are levied mainly on transfers of property, and that it is proposed to put a special tax on property, the Government have determined not to ask for any increase of the Stamp Duties except those upon successions. It is generally admitted that, on the occasion of a succession to large property, the State may demand without unfairness to any one a contribution having some relation to the amount of the estate. The principle of a graduated tax upon successions has been accepted as right; and the Government propose, therefore, to revise the existing duties in the direction of making large accumulations contribute to the public exchequer in greater proportion than they have hitherto done. It is estimated that these additional duties will produce £16,000 at present, and will be constantly increasing.

CONSOLIDATED STOCK.

It is, Sir, a matter for great regret, looking at our financial position, that no real effort has been made to bring the Consolidated Stock Act of 1877 into practical operation. We are now paying £116,176 per annum as sinking fund proper, on our loans; we shall also pay, this year, interest amounting to £43,165 on bonds of the Consolidated Loan, drawn and cancelled—interest which increases in amount every year; and, being applied annually to the further redemption and cancellation of bonds, is, in reality, sinking fund. Then we invest the accretions of the sinking funds of other loans in our own bonds, and the interest we are now paying on these latter bonds amounts to £40,041 per annum, so that in the present year we shall actually pay no less a sum than £199,382 towards the redemption of our public debt.

By this it will be seen that we are on the one hand repaying our debt at the rate of nearly £200,000 per annum out of revenue, while on the other hand we are borrowing largely to complete our railway system. This, upon the face of it, does not appear a very wise arrangement, and I need hardly say that the Government will lose no time in giving effect to the will of Parliament in this matter expressed by Act, now more than two years ago. Sir, the operation of consolidation is necessarily a work of time; but I trust that, under the management of persons desirous of giving effect to the Act of 1877, considerable relief will be afforded to our revenue—if not next year, at any rate the year after. The annual amount of sinking fund and interest thereon to be released by consolidation being dependent on the success which may attend the operations of the Agents appointed under the Act we cannot rely on obtaining much, if any, relief from this source during the current year; I must, however, ask the Committee to bear it in mind, as a certain means of diminishing our expenditure in the near future, and to consider whether it may not be advisable to make some temporary provision, if necessary, until this relief is obtained. With regard to the general question of the expediency of a sinking fund, I think it very unwise in us, with our railways incomplete, to attempt to maintain one, especially when it is remembered that in no case do we capitalize the interest upon these works, as is done in the case of railway companies, until the works are complete, but that the whole interest on money used upon works in course of construction, as well as that spent in completed works, is charged upon and paid out of consolidated revenue.

SUMMARY OF PROPOSALS.

Summarizing, then, my proposals, they will stand thus: to be raised by Property-tax, £470,000; by Customs, £300,000; by Stamps, £16,000; making a gross increase to the revenue of £786,000; from which, however, must be deducted the remissions stated above amounting to £20,000, together with the land-tax, £147,300, which it is proposed to merge in the general property-tax next year, thus giving a net increase of £618,700. Honorable members will observe that