

Change in form of direct taxation must be left to another Parliament.

impossible for us to forego any appreciable part of the sum now raised. That sum, it must be remembered, is estimated at no less than £355,000 for the present year; and the practical impossibility of obtaining anything like that amount from property in anything like as equitable a way, and the great diversity of opinion amongst the members of the present Parliament, as shown in the discussion upon the amendments of the Act proposed by the Government, render it unlikely that it can be satisfactorily dealt with during the present session. The question of a change in the form of our direct taxation must be left to another Parliament. But it has to be remembered that, in one form or another, substantially the sum I have named must be found.

In my last year's Financial Statement I submitted certain proposals to raise the necessary funds to extend the Otago Central Railway to Eweburn, and to construct the Puhipuhi Forest Tramway. Unfortunately the House rejected those proposals when they assumed the form of Bills. The Government have had the question of these works again under their consideration—they still think them of great importance, and that they should be executed—but, after the action taken by the House, they do not think it their duty this session to again propose their execution.

Impossible to further reduce expenditure without public inconvenience.

The Government would have been pleased if they could have seen their way to make any proposal to reduce taxation. We are, however, convinced that it is impossible to make any further appreciable reduction in the public expenditure unless we are prepared to largely curtail the public conveniences which are now enjoyed, and the absence of which would be felt as hardships. I feel sure the inhabitants of the towns will not give up their conveniences, and I fear, if the country people are deprived of theirs, it will be another obstacle to the settlement of the country lands.

It must also be remembered in reference to the reduction of taxation that there are services still chargeable upon the balance of the old loans for which provision must be made upon the consolidated revenue in the near future, if we are to keep a sound finance.

Abolition of duty on gold exported, proposed.

But, although we do not find ourselves in a position to propose any reduction of taxation generally, the Government will make proposals with a view to give effect to the recommendations of the Mining Conference as regards abolition of the gold duty, and substitution of other revenue in its place.

Redemption of £400,000 debentures issued under "The Public Revenues Act, 1887," No. 3.

Incidental to taxation, I have a word to say about the £400,000 short-dated debentures issued for a portion of the deficit at the 31st March, 1888. It will be remembered that in November, 1887, the Government proposed that the proceeds, amounting to about £40,000 a year, of the debentures issued for interest received on investments of the sinking funds should be applied to redeem yearly a like amount of the deficit (in respect of which the £400,000 debentures were issued) until the debt became extinguished. In the following year, however, I had to tell the Committee that, looking at the additional taxation then found necessary to meet the ordinary services of the colony, it would be putting too great a strain upon the taxpayers to give effect to the proposal of 1887. Nor do we this year see our way to set aside a portion of the revenue for this purpose, though I am glad to say that the sound principle on which that proposal was based has been acted on in charging to revenue services of a necessary character formerly paid from loan, and in paying out of the surplus of the last two years the £128,600 deficit left unprovided for at the end of 1887-88.

Estimated ordinary revenue, 1890-91, £4,159,000.

I estimate that the total ordinary revenue of the year will be £4,159,000 upon the present basis of taxation. From Customs I expect to obtain £1,480,000, from stamps £612,000, from railways £1,080,000; the latter is the estimate of the Railway Commissioners, and seems to me to be probably under the amount that will be realised. There is nothing special about the other items of estimated revenue; I need not, therefore, trouble the Committee with any further remarks upon the subject.

LAND FUND.

The estimated revenue of the Land Fund is £96,600, being slightly over the amount received last year.

Estimated Land Fund receipts, £96,600.