

FINANCIAL ARRANGEMENTS.

The question will now suggest itself to the Committee, In what way can this surplus be best disposed of? It must have been recognised that the tendency of the age is to increase the postal facilities of the world, and to reduce the cost of carrying letters. The time is not far distant, we believe, when there will be an Imperial penny postage—probably within the next three years. The loss estimated by the English authorities is not expected to exceed £75,000 a year. Of this amount a number of persons in England have offered to guarantee £50,000 a year, and public opinion is rapidly growing in the direction of adopting a minimum rate of postage as a means of consolidating or federating the various parts of the Empire. The postage at present with Australia is twopence a letter, and that to Great Britain twopence halfpenny; while to the suburbs of our cities and other parts of the colony the charge is twopence. So manifest an anomaly suggests a change in the direction of our proposals. The time has therefore arrived, the Government believe, when the penny post should be established in New Zealand. The cost of the reduction in the present year is estimated at not more than £40,000; and, from careful calculations and comparisons with the Colony of Victoria, where the penny post is already an accomplished fact, it is estimated that within three years from the present time, through an increase in the number of letters sent, the loss in the revenue will be more than covered. It is also intended to ask for power to establish the penny post with the Australian Colonies, and negotiations to this end are now being conducted by my colleague the Postmaster-General. If this extension of the penny post be adopted, the immediate loss to the colony in revenue will be about £1,200 a year. The Committee will agree that this is not a formidable sum to secure so great an advantage as an intercolonial penny post. The postage on newspapers to the other colonies, now a penny, it is proposed shall in future be one-halfpenny, and it is anticipated the increased number posted will prevent any material loss of revenue. It is also proposed to reduce the telephone charges to a uniform rate of £5 a year, which we believe will not entail any material loss to the revenue, as the increase in the number of connections in consequence will probably be large. The details of these and other reforms in the Post and Telegraph Office will be explained by the Postmaster-General.

Proposals to establish the penny post in New Zealand.

Intercolonial penny post proposed.

Intercolonial halfpenny newspaper postage proposed.

Telephone charges to be reduced to £5 a year.

The question of settling the land, and carrying on the work of colonisation in the making of roads to open up lands for settlement, will have, we think, to be borne in future, to some extent, by the Consolidated Fund. Whether this can be done will depend of course on the progress of the colony in the way of yielding an increasing revenue, but it will be recognised that the connection is intimate between a growing revenue and the extension of settlement. We propose, therefore, in the present year to apply the sum of £30,000 out of revenue for the work of opening up land for settlement. This amount will probably have to be supplemented by a vote from the Public Works Fund.

£30,000 out of revenue for opening up land.

We propose to remit the Native lands duty on leases, amounting on the average to about £6,000 a year. There appears to the Government to be no justification for imposing an exceptional duty upon the alienation of Native lands for settlement—a work that ought to be encouraged rather than restricted by the imposition of a duty which is irritating and at the same time difficult to collect.

£6,000, Native lands duty, to be remitted.

I have not disturbed the distinction which has been made between Territorial Revenue and the Land Fund, though I can hardly see any reason for its continuance. It is true the Land Fund in the past has been subject to strange and serious perturbations, throwing out all the calculations of the department; but the elements of uncertainty have in recent years been reduced to moderate dimensions, and the Consolidated Fund, to which both descriptions of revenue legally belong, must soon receive back its erratic and wandering child. The Land Department has made a calculation of the sum it will cost in surveys and administration to obtain the territorial revenue in the present year, and the estimate is £40,000. In the past the Land Fund has improperly borne the corresponding charge, and this has tended very often to produce a deficit in the

Proposal to amalgamate the Ordinary and Land Fund Accounts.