

made upon them for this purpose. Now, on broad lines of general policy I submit that it would be unwise, impolitic, and injurious to the colony to attempt to materially interfere with the tariff under existing conditions, and would be indefensible. Great injuries would accrue, which would not by any means be counterbalanced by any remission that might be made. As yet there has not been sufficient time to gauge accurately the position. We have had two years of prosperity: can we absolutely and accurately say how long this will continue? Should there be a change in the tariff let it be made on the broad lines that there was too much indirect taxation, and correspondingly too little from direct taxation. Tinkering with the tariff should be avoided.

LAND-TAX AND INCOME-TAX.

The revenue derived from the land and income taxes during the past year was £382,497, or £17,497 over the estimate, and about £5,000 over the receipts of the preceding year.

The steady increase in the income-tax receipts has been maintained, and affords the best possible evidence of the advancing prosperity of the colony.

The Consolidation Bill considered by the Public Accounts Committee last session will be reintroduced. This measure, though not absolutely essential for taxation purposes, deals with anomalies which it is considered advisable to remove, and presents the law relating to direct taxation in a clearer and more concise form.

Certain concessions which it is thought equitable to make will tend to a reduction of the income-tax receipts. The purchase by the Government of estates under the Land for Settlements Acts also tends to decrease the land-tax receipts, but it is expected these reductions will be more than compensated for by an increase in the land-tax receipts resulting from the new valuation. I do not, however, place the estimate for the year above £390,000, which means an increase on last year's receipts of about £7,500.

Turning now to matters which concern the present hour and affect the remaining months of the financial year, I propose to give honourable members some idea of the estimated ways and means of our Revenue Account.

ESTIMATED EXPENDITURE, 1898-99.

The estimated expenditure for the current year out of our Consolidated Revenue Account amounts to £4,743,876, excluding £350,000 in aid of the Public Works Fund, which latter amount is provided out of the surplus of last year. The actual expenditure last year amounted to £4,612,372, therefore the current year's estimate totals to £131,504 in excess of that of last year: £53,599 of this arises from the extra provision for interest required on the new loans raised or authorised during the past and current year. The departmental estimates show a net increase of £83,982. (Full particulars will be found in Table No. 7.) Classification and increased facilities are answerable for £44,031 of additional expenditure for postal, telegraphic, and railway services. To keep pace with the increasing population the Education Department asks for additional expenditure amounting to £8,549. There has been a consensus of opinion that our Permanent Force and our Volunteers should be strengthened and made more efficient; these improvements cannot be effected without additional cost, consequently the estimates of the Defence Department will be found to be increased by £25,896. In the Colonial Treasurer's Department there is an increase of £13,254, but of this some £13,000 arises from a contribution from the Land- and Income-tax Department as valuation fees, which are credited as revenue, and included under the head of "Registration and other Fees." The Police Department shows an increase of £7,554. It has been apparent for some time past that the Police Force of the colony was numerically weak; on the present estimates we are therefore providing for the engagement of some fifty extra men. The services I have just named really provide for expenditure of an exceptional nature, arising from causes which do not influence the expenditure of other departments. The amount, I acknowledge, is large—nearly £100,000—but I do not think honourable members will gainsay the necessity for providing for the services, and this will be plainly