

than double those of the preceding year, and the largest amount that has been advanced since the commencement of the Act. This is no doubt attributable to the fact that late legislation has granted greater facilities whereby local bodies can obtain assistance. "The Government Loans to Local Bodies Act Amendment Act, 1898," which was specially framed for the purposes of providing for irrigation, water-supply, &c., has been largely availed of, and in consequence there has been corresponding increase in the amount of loans made.

The Public Health Act and the Slaughtering and Inspection Act of last session permit of loans being granted for sanitary works, and for the erection of abattoirs. Applications under these Acts are now being received.

By "The Government Loans to Local Bodies Act Amendment Act, 1900," the rate of interest on loans was reduced from 5 to $4\frac{1}{2}$ per cent. per annum; local bodies also being able to readjust their loans to even lower rates—namely, 4 and $3\frac{1}{2}$ per cent. per annum—upon correspondingly extending the currency of their loans.

Of the total inscribed debt of local bodies, amounting to £1,222,234, the following figures will show what a great advantage the Amendment Acts of 1899 and 1900 have proved to local bodies, and to what extent they have availed themselves of the opportunity of reducing their rate of interest:—

Amount of loans reduced to $4\frac{1}{2}$ per cent.	...	...	...	£874,443
" " 4 "	...	...	...	12,634
" " $3\frac{1}{2}$ "	...	...	...	335,157
				£1,222,234

I am pleased to be enabled to report that the payments of the half-yearly instalments of interest on the inscribed debts continue to be fully and punctually paid.

LAND-TAX AND INCOME-TAX.

The proceeds of the land-tax only exceeded those of the preceding year by about £1,000, the department having been unable from a defect in the Valuation Act to place the increased valuations upon the rolls for last year. The income-tax receipts, however, brought up the revenue from direct taxation to an amount which it has never before reached, affording evidence of unexampled prosperity in the colony generally, as well as careful departmental administration. When I inform honourable members that during the nine years the income-tax has been in force the number of taxpayers has more than doubled, and the revenue has increased by £106,000 a year, the result must be considered satisfactory.

A careful revision of the land-values of the colony is now in progress, but it will take some time yet to complete this work. The result so far is a net increase of the capital value of £8,390,000, and of the unimproved value of £6,375,000. The gain to the land-tax revenue this year I estimate at £10,000, and I see no reason, notwithstanding the unfortunately low price of wool, why the land-tax should not increase year by year in sympathy with other heads of revenue until at all events the whole revision of the valuations has been completed.

THE LAND FOR SETTLEMENTS ACCOUNT.

The balance brought forward amounted to £53,389, and by the sale of debentures under "The Land for Settlements Consolidation Act, 1900," funds were obtained to the amount of £219,000. Rents and other moneys came into the account to the extent of £72,796. On the other side the purchase-money for the acquirement of estates totalled £186,621, interest on debentures amounted to £50,910, and expenses to £14,305. The balance of the account at the close of the year was £93,349.

The purchase of land for close settlement is being vigorously pushed forward, and it is pleasing to know that the estates which have been hitherto purchased have been satisfactorily settled. During the last year approximately 177 farms were provided and about 170 workmen's homes. The following table gives the