

The explanation of this increase is to be found in the large accretion to the unimproved value of the land in the Dominion since 1908-9,—viz., from £161,324,000 to £212,936,000—thus bringing more estates into the graduated class, while it also increases the value of those which were already in it.

The increase of 32 per cent. in the total unimproved value of the land in the Dominion has produced an increase of 32 per cent. in the amount assessed for ordinary tax and has added 32 per cent. to the number of ordinary taxpayers. It has also produced an increase in the amount assessed for graduated tax of 44 per cent., and in the number of graduated taxpayers of 37 per cent.

These results would seem to furnish conclusive evidence that the amendments in the Valuation of Land Act, with reference to the valuation of improvements, have not operated in the direction of nullifying the effect of the increase in the rates charged for graduated land-tax, as was anticipated would be the case by some honourable members when the amending measure was before the House last session.

Between the 1st April, 1912, and the 1st April, 1913, twelve persons owning land of an unimproved value of £60,000 and upwards sold 75,047 acres to seventy-two persons; four owning £50,000 and less than £60,000 sold 19,557 acres to twenty-six persons; four owning £40,000 and less than £50,000 sold 2,293 acres to four persons; eleven owning £30,000 and less than £40,000 sold 23,851 acres to forty persons. Altogether thirty-one persons owning land of an unimproved value of £30,000 and upwards sold 120,748 acres to 142 persons, which shows that the holdings of thirty-one persons were decreased by an average of 3,895 acres each.

These figures, when considered in conjunction with the great increase in the unimproved value of the land of the Dominion and the decreases in numbers of the most valuable holdings, afford good evidence of the effect of the graduated tax in inducing subdivision of estates.

Instances of the additional taxation due to the increased rates for graduated land-tax imposed by the Act of 1912 are shown in the following table:—

		Unimproved Value.	Tax at Old Rate prior to passing of Amendment Act, 1912.			Tax at Present Rate.			Increase.		
		£	£	s.	d.	£	s.	d.	£	s.	d.
A	..	31,665	98	19	1	126	15	6	27	16	5
B	..	49,650	304	2	1	338	6	0	34	3	11
C	..	57,533	409	18	5	462	17	7	52	19	2
D	..	63,910	503	5	10	577	17	3	74	11	5
E	..	70,529	617	2	6	710	13	1	93	10	7

The graduated land-tax is not the only means of inducing the cutting-up of the large estates in the interests of closer settlement. The power to purchase land for settlement has provided other opportunities for the above desirable object. Last year under Part VI of the Land Laws Amendment Act the Minister of Lands was given authority to notify an owner that his land was required for purposes of settlement. After the service of such notice no increase of the value of the land could be inserted on the subsidiary roll. Within six months after the gazetting of the notice the owner must notify the Minister whether he is prepared to subdivide or to enter into an agreement under Part III of the Land Act, 1912, which also provides for subdivision, or he must submit to the compulsory taking of his land under the provisions of the 1913 statute. Acting under the power conferred on him, the Minister of Lands has already notified several owners that their lands are required for settlement, and that this portion of the Act of 1913 will be brought into active operation. The Government is of opinion that for the present these several provisions for closer settlement suffice, but will not hesitate to act either by increase of the graduated land-tax, or otherwise, in order to bring about the closer settlement which is so much desired.

A table appended to this Budget shows that during the last two years and a quarter 2,316 rural freeholds privately owned have been subdivided into 6,196 subdivisions, the total area being 1,125,678 acres. In addition 710,633 acres of ordinary Crown lands have been opened for selection during the same period. Ten estates have been acquired under the Land for Settlements Act since the 31st March, 1914, aggregating 23,652 acres.

No less than 83,800 acres of Native land vested in the Maori Land Boards have been disposed of for closer-settlement purposes.