

burdens for revenue purposes upon capital invested in land. I would ask, upon the second and third reasons, what justice or wisdom is there in specially taxing that class whose growth is essential to the advancement of the colony, in order to prevent a probable abuse in the acquisition of large quantities of land, or unfair profits, by a few individuals; and in reply to the fourth reason I would say such a combination is unjustifiable when it results in the special taxation of a class possessing no privileges.

Sir, I entirely disapprove of land being held for speculative purposes. I entirely disapprove of land being held in large blocks, to the injury of settlement. I desire to see the country in the possession of a population cultivating their own freeholds; and the legislation proposed by the Government is conceived in this spirit. That there are some large estates which I should be glad to see occupied by small freeholders is true; but Sir, I have satisfied myself that the tendency is towards disintegration rather than accumulation of large properties, and that speculation in land to an injurious extent does not exist in such a form as to be removable by legislation—and, most certainly, will not be remedied by a land-tax on all land. Sir, it is a very significant fact that in hardly any country in the world is the proportion of properties to the population so great as in New Zealand. I may state, for instance, that in France, which is usually cited as a favourable instance of the subdivision of land, the proportion is 1 property to 7·1 people; and in Belgium, where land is probably more subdivided than in any other European country, the proportion is 1 property to 4·71 people; while in New Zealand, there is 1 property to 5 people; and when it is remembered that 90,000 persons, out of a total population of 414,000, have been brought out as assisted or free immigrants within the last few years, our case appears much stronger. This, Sir, is no reason for relaxing our endeavours to improve our land laws in the direction of encouraging settlement, but it should, I think, reassure those who think that the tendency of past legislation has been to favour the acquisition of large properties. I say, Sir, it is a great satisfaction to know that so large a proportion of our population has a direct interest in the soil of the country, and to this fact may in a great measure be attributed, I think, the rapid advancement of the colony, and the general prosperity of the people.

The principle of the American property-tax is to tax everything a man possesses, including his income, after deducting all his outstanding liabilities.

The proposal of the Government is to tax all property, whether real or personal, that a man possesses, after deducting in each case his just debts, and also a sum of £300 as exempt from taxation; but, as I have said before, to exclude all incomes.

It is very difficult, with the data at my command, to estimate accurately what such a tax will produce. We know, however, that the valuation under the Land-Tax Act gives £99,500,000 as the improved value of real property. It is estimated that the total personal property owned in the colony is not less than £18,700,000, making a gross total of taxable property of £118,200,000. Deducting from this £5,000,000 on account of the £300 exemptions, we get £113,200,000 as the net taxable amount as far as it can now be estimated. I give this estimate with some diffidence, but I think I have rather under- than over-stated the sum which will be subject to taxation. Taking, therefore, £113,200,000 as the sum liable to taxation, this at one penny in the pound, the amount the Government propose to ask for, will give £470,000 as the product of the property-tax.

THE TARIFF.

I have said, Sir, that the Government propose to raise additional Customs duties. With respect to the encouragement of local industries, I have had many communications with gentlemen interested in the promotion of local manufactures, and a Committee of this House has still the subject under its consideration; but the time at the disposal of the Government has been quite inadequate to deal in a comprehensive manner with so important a subject. The Government, therefore, propose to appoint a Royal Commission during the recess to examine and report upon the whole subject of the best mode of fostering and promoting