

SESS. II.—1879.

NEW ZEALAND.

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# FINANCIAL STATEMENT

(*In Committee of Ways and Means, Monday, 17th November, 1879.*)

BY THE COLONIAL TREASURER, THE HONORABLE MAJOR ATKINSON.

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MR. SEYMOUR,—

The difficulties and dangers of the position into which we have permitted our finance to drift are admittedly so great, and the time at the disposal of the Government has been so short and so broken, that I feel confident I shall have the sympathy of honorable members when I ask the Committee for as favourable a consideration of the proposals I am about to submit, as may be found compatible with careful criticism and a full discussion of their merits.

Sir, I think that all those who have given any real thought to the question of our present financial condition must have come to the conclusion, that it will be impossible to surmount our monetary difficulties and escape the dangers of our position without something like a complete remodelling of our finance, both general and local, without careful administration by Ministers, and without the exercise of much thrift and self-denial on the part of all classes of the community.

The period of the session at which we have now arrived renders it impossible to properly consider the whole question of our finance this year. My unfitness for the responsible position I have the honor to hold would be at once manifest, if I were to pretend to be capable, in the short time I have been in office, of maturing and submitting in detail so complete a financial policy as the Government believe to be practicable and necessary. I shall, however, Sir, endeavour to indicate clearly the general scope and direction of that policy, and to give what I hope the Committee will consider sufficiently full details of such parts of it as we think it is possible to deal with this session.

But, first, it will be necessary that I should recall to the mind of the Committee our present financial position, a position, Sir, I venture to say, unparalleled in the history of the colony, for with abundant natural resources, with excellent credit, and with an increasing ordinary revenue—notwithstanding great commercial depression—we find ourselves reduced to such a position as to cause the gravest anxiety to all true friends of the colony, and to necessitate important measures of financial reform involving large additional taxation.

## POSITION OF THE CONSOLIDATED FUND RE-STATEd.

In the speech which I had the honor to address to the House on the 14th of October last, I showed that the total expenditure within and on account of the year 1878–79 was £4,006,961; that the total receipts amounted to £3,875,137—including therein the surplus of 1877–78, amounting to £116,844, and the assets of the year 1878–79 amounting to £6,695 realized since 30th June, 1879; and

that the transactions of the year ended by leaving a deficit of £131,824, notwithstanding the fact I have just mentioned that we began it with a surplus of £116,844. I showed that the deficit of £131,824 would have been £50,000 less had the land-tax for the half-year been collected within the year. But I did not mention, as perhaps I ought, that the bills taken on account of the sale of the old Supreme Court site and the reclaimed land, in Wellington, and amounting to £82,524 8s. 4d. were included in last year's revenue account; of this amount £33,114 15s. 8d. has been paid, and £49,409 12s. 8d. remains still outstanding. I found these bills credited to revenue in the Treasury accounts, and did not, therefore, disturb the arrangement, although I am clearly of opinion that they should not have been credited as if the amount had been received in cash. Of course, but for this mode of treating these transactions, last year's deficit would have been £214,348, instead of £131,824.

This, then, was my starting-point for the current year—a deficit of £131,824, to which I added the estimated expenditure for the year 1879–80 amounting to £3,974,034, taken from the estimates left in the Treasury by the late Government, and obtained £4,105,858 as the year's estimated expenditure. From this amount I deducted the estimated revenue derivable from our present sources of income, amounting to £3,193,900, and arrived at a total estimated deficit of £911,958, to be provided for in some way this year.

#### ESTIMATED EXPENDITURE AND INCOME OF THE YEAR 1879–80 REVISED.

Sir, since I last addressed you upon this subject, the Government have gone carefully through the estimates of expenditure, as left by our predecessors. These were necessarily imperfect, no provision having been made for several necessary services; and the Estimates as now presented show an increase of £39,044, the total amount being £4,013,078, instead of £3,974,034. The total of these Estimates is larger by £6,117 than the actual expenditure of the previous year; but it must be remembered that they include provision for interest on the new loan and deficiency bills to the extent of £118,000, as well as the expenses attending the second meeting of Parliament within the year. We hope, moreover, by careful administration to be able, after further experience, to effect considerable reductions, but upon this point it is impossible to do more than promise that we will use our best endeavours to confine the expenditure within the narrowest limits consistent with efficiency in the public service. We shall also, during the recess, carefully examine into the present organization of the Civil Service, and see how far, by the combination of necessary offices and the abolition of unnecessary ones, the expenditure can be further reduced next year. Competent and well-paid officers are absolutely essential to good government, while a large staff of under-paid Civil Servants is not only costly, but is in its very nature fatal to efficient administration.

The estimate of revenue has also been carefully reconsidered, but, with the advantage of four months' actual collections to guide me I am unable, I regret to say, to increase the amount estimated. It is possible that the Land Fund may be under estimated, but I do not see any reason to expect an appreciable increase in land sales until a fall takes place in the price of money, and this cannot be hoped for until a good harvest has been successfully housed.

The problem, therefore, for solution is: How is this large estimated deficit, amounting, after correction, to £951,002, to be provided for this year, and what action must be taken to equalize our income and expenditure in future—for, although it is somewhat unusual, I am compelled by our peculiar circumstances to look beyond the present year, and in some measure to take counsel for the next. But before we can answer these questions satisfactorily we must examine the nature of the deficit, and ascertain whether it is of a temporary or permanent character, because our mode of dealing with it will greatly depend upon the result of that examination.

Now, to enable the Committee to come to a decision upon this important point, it will be necessary to examine and compare the receipts of the Consolidated Fund for some time past. I propose to do so for the last three years, and under three heads: Taxation, Services rendered, and Land Fund. There was raised by Taxation in the financial year 1876–77, £1,319,643; in the year

1877-78, £1,424,029, being an increase of £104,386 over the preceding year; in the year 1878-79, £1,505,237, being an increase of £81,208 over the preceding year, and of £185,594 over the year 1876-77; and this year the estimated amount of receipts is £1,512,300, being about £7,000 only more than last year, though largely exceeding the receipts of the years 1876-77 and 1877-78 respectively. For Services rendered (omitting, for reasons I will presently give, receipts from railways) there was received for the year 1876-77, £318,250; for the year 1877-78, £366,367; for the year 1878-79, £421,377; and this year the estimated amount is £401,600. Here also, as in the case of taxation, it will be observed that the increase has been marked and steady during the three years named; and that while the estimate of the total receipts for this year, in respect of Services rendered, is about £20,000 less than the actual receipts of last year, an increase of amount in some of the items of receipt is anticipated.

I will not trouble the Committee with remarks upon the separate items included under the two heads of Taxation and Services rendered, but I may say that an examination of Table A, which will be appended to this Statement when published, will show that in almost every case there has been a steady increase from year to year.

As I have said, I have omitted the receipts from railways. My reason for so doing is that our railway system was too incomplete in 1876-77 to compare fairly with the receipts in 1878-79. But, according to the comparative statement of receipts and expenditure on the railways, made by the late Minister of Public Works in August last, the figures I have given under the head of Services rendered do not show as large an increase as I might fairly claim. It is not, however, desirable in any way to overstate the case.

I have not thought it necessary to take the receipts of more than three years for comparison. Had I done so, however, the only deduction to be drawn from a careful consideration of the figures would certainly not have weakened my conclusions. On the contrary, the further back we go the stronger would my case appear.

It may then, I think, be fairly stated, that our receipts from Taxation are steadily increasing, as also our receipts from Services rendered, and that the slight check which the revenue derivable from these sources has met with during the current year is temporary only, and is fully accounted for by the general depression of trade throughout the world.

This fact should, I submit, give us confidence in the future, as showing indisputably that our population is hard working and prosperous.

In the financial year 1876-77, we received from land sales, £870,819; pastoral rents, £135,036; total, £1,005,855. In the year 1877-78: land sales, £1,440,824; pastoral rents, £145,738; total, £1,586,562. Last year: land sales, £737,694; pastoral rents, £132,035; total, £869,729. And the estimated revenue for this year is for land sales, £248,000; pastoral rents, £132,000; total, £380,000.

It will be seen that the land sales last year only reached £737,694, having fallen short of the estimate by £384,304, and that this year they are estimated to produce only £248,000. Here, then, we find the cause of our deficit—the falling off in the Crown land sales. If, last year, they had reached the estimate, and could be relied upon this year to yield £1,150,000 (this amount being about the average receipts of the last two preceding years), we should have this year a small surplus, instead of an estimated deficit of £951,002; in other words, under our present system, we require from land sales, exclusive of the cost of survey and administration, something like £900,000 per annum in aid of ordinary revenue.

It may be, I think, fairly anticipated that, with the return of prosperity, the annual sales will again be in excess of the estimates for the current year.

With these facts then before us, Sir, we are in a position to affirm that, should we continue to treat land-sale receipts as income, and were we content to sacrifice the future settlement of the country for the sake of a temporary adjustment of finance, the deficit to which I have drawn attention would not, with our large area of unsold lands, be for some years to come of a permanent nature. So long however, as we do so treat these receipts, we cannot disguise

from ourselves that in years of depression we shall be subject to large deficits, which it will be difficult to provide for without adding from time to time to our permanent indebtedness. In other words, we shall have an uncertain, and therefore an unsatisfactory, finance, and shall be continuing the objectionable practice of relying upon what is really capital for ordinary expenditure, instead of providing for such expenditure, as ought to be done, out of our legitimate income. If, on the other hand, we should determine that the receipts from land sales are not income, and shall not in future be so treated, then it is clear that there is a permanent deficit of from £800,000 to £900,000 a year upon our present expenditure and income. So much then, Sir, for the nature of the deficiency with which we have to deal. Before, however, I answer the question as to how the Government propose to meet the estimated deficiency of this year, and to obviate deficiencies in future, it will be convenient that I should call the attention of the Committee to the state of our public debt, and the condition of the Public Works Account.

#### PUBLIC DEBT.

Our public debt on the 30th June last amounted to £23,222,311, treating the guaranteed debentures as practically issued, and including Treasury Bills outstanding, of which £442,000 mature on 1st March next in London, and will have to be re-issued; the annual charge for interest and sinking fund, in respect of this debt was £1,232,119. Since then we have issued deficiency bills to the amount of £600,000, and when the loan of £5,000,000 is raised, our total gross debt will amount to £28,822,311; or deducting the accumulated Sinking Funds, our net public debt will be £27,113,304, subject to an annual charge of about £1,400,000 for interest, and £116,176 for sinking fund, making together, £1,516,176—an annual burden requiring our most watchful attention, and one which can only be borne if our taxation is properly adjusted, and our financial affairs managed with discretion. It may be gratifying to the Committee to learn—though the amount is small—that last year we redeemed out of accrued sinking funds debentures amounting to £71,000; of these £58,000 represented the whole of the outstanding debentures issued under “The Wellington Debts Act Amendment Act, 1876,” and £13,000 represented a portion of those issued under “The North Otago District Public Works Loan Act, 1872.”

#### PUBLIC WORKS FUND.

I showed in my speech of the 14th October last that we began the year ending 30th June, 1879, with a credit balance of £2,056,940, including advances outstanding amounting to £156,260, and this year with a nominal credit balance of £506,205, but that of this sum £298,543 consisted of advances outstanding, which, as honorable members are aware, are in fact moneys spent but not yet brought to account, so that we really began the year with only £207,662. This includes, as cash on the credit side, the whole of the loans (including the guaranteed debentures) authorized to date except the £5,000,000 loan. I further showed that we had spent in the first quarter of this year—that is, up to the 30th September last—some £504,733 of the £5,000,000 loan, and that we had entered into contracts and engagements which would necessitate our finding £733,553 more by 31st December next, and £921,818 between that date and 30th June, 1880—in other words, that the late Government had in various ways anticipated the new loan to the extent of £2,220,104, including £140,000 for contingent defence, and £200,000 for purchase of Native lands, but exclusive of cost of raising the loan; and that in addition to this large sum, which is payable by the 30th June next, there will be liabilities outstanding at that date of a further sum of £957,177 for land purchase, and £128,815 for contracts entered into before the present Government took office. These figures were disputed at the time I spoke by the late Minister of Public Works; but I regret to say that, after a most careful re-examination of the whole subject, I find that the figures I then gave were strictly accurate. My honorable colleague the Minister of Public Works, in consultation with the Engineers-in-Chief, has been endeavouring to arrange an extension of the period during which these payments will have to be made, and he will shortly inform

this House of his success in that direction; but he warns me that much practical relief is not likely to follow his exertions. The Committee will therefore see that, unless we can abandon some of our land-purchase bargains—for I fear none of the other engagements can be got rid of—the new loan is anticipated to the extent of about £3,300,000, without including the sum of £154,791 payable to Canterbury and Otago on account of impounded land revenue, or making any provision for the redemption of the guaranteed debentures, and also without taking into account the cost of raising the loan. When we remember that the Public Works scheme of 1878 was to take five years to complete, that the expenditure from loan was only to be at the rate of some £900,000 a year, and that by a special provision of “The Loan Act, 1879,” no money raised under it was to be spent without appropriation of Parliament, we shall, I fear, have to come to the conclusion that Parliament has not been treated with frankness in this matter, and that its authority has been disregarded. The Government, Sir, have reason to believe that not more than £3,000,000 of the £5,000,000 loan can be floated this year, that it will be twelve months before we can place the other £2,000,000, and that we cannot go upon the London market for two years afterwards. These facts will render the exercise of the utmost prudence necessary in the expenditure of the balance of the loan yet available for appropriation by Parliament. This question will be fully treated of by my honorable colleague the Minister of Public Works, when he makes his Public Works Statement. I need only say here that I hope honorable members on both sides of the House will insist upon all expenditure being confined to necessary and profitable works, and that the expenditure of the balance of the loan shall be extended over a period of not less than three years. Sir, as I have many times pointed out, our only safety lies in limiting our expenditure from loan and upon public works to a reasonable annual sum till our whole railway system is completed; and, certainly, in my judgment, £1,600,000 a year is not a reasonable sum; it is, in fact, about double what we ought to spend, or indeed possibly can spend considering our revenue, population, and liabilities.

#### PROPOSALS FOR EQUALIZING EXPENDITURE AND INCOME IN FUTURE.

And this, Sir, brings me to that part of my Statement for which honorable members are no doubt looking with some impatience. I hope, however, I have succeeded so far in fixing in their minds what our real financial position is, as upon that hangs all that I am now about to propose.

The first point for decision is: Are the receipts from land sales to be retained in the Consolidated Fund, and spent as ordinary revenue? Sir, the Government think that from the falling off in the land sales there is a very important lesson to be learnt, and that is, that the system of finance which we have been pursuing since the Land Fund was generalized in 1877—namely, that of relying upon the receipts from land sales as one of the chief items of our consolidated revenue—is thoroughly unsound in principle, and should, Sir, be abandoned at the earliest possible date, that date being not later than the end of March next. The receipts from land sales should, in the opinion of the Government, be chargeable with the expenses of the administration and survey of the land, and the balance scrupulously applied to Public Works, local and general, and to Immigration.

By this means it is clear that a real and not an imaginary fund would be created to aid in carrying on our public works, local and general; and we should get rid of that vicious habit into which we have fallen of late, of treating as revenue that which is really capital, and spending it upon the ordinary services of the State. It will be generally admitted, when the large amount of our public debt is remembered, and the absolute necessity of continuing to borrow moderately until the public works are complete is taken into account, that it is our duty not only to place our Consolidated Fund upon a sound footing, but also to show the London capitalist unmistakably that we are not availing ourselves of the expenditure of borrowed money to sell our public lands, and at the same time applying the proceeds to the maintenance of services properly chargeable on annual income. I submit, Sir, that we have no more effective means of showing the soundness of our financial position, and of the resources of the colony, than by resolutely setting aside the

receipts from our land sales for Public Works and Immigration. The best mode of dealing with this fund, should the House determine to create it, I do not now propose to consider,—this will be one of the questions for decision next session,—a great work will have been accomplished if it should be determined to create the fund.

Sir, the Government entirely disapprove of sacrificing the public estate to make up either a temporary or a permanent deficit in the revenue, or of selling land for any other purpose than for settlement and occupation. Proceeding, therefore, upon the assumption that land sales receipts are no longer to form part of the ordinary revenue or income of the colony, I eliminate them, retaining, however, the pastoral rents which are really revenue, and find that the estimated revenue for the year is £2,945,900. Deducting from the total estimated expenditure of £4,013,078 the services included therein, amounting to £247,509, which are properly chargeable against the revenue from land sales—viz., the cost of administration and surveys, and the 20 per cent. of receipts, &c., payable to local bodies—we get £3,765,569 as the estimated expenditure of the year; and if from the estimated expenditure we take the estimated revenue, we get £819,669 as the deficit for which we have to provide for the future.

I will, Sir, now, with the permission of the Committee, deal, in the first place, with the deficit of £819,669, leaving for the present the question of the deficiency to be provided for this year. Some exception may be taken to calling this a permanent deficit, as it will be said, and said truly, that our receipts from Taxation, Services rendered, and Railways are increasing yearly, and this increase, no doubt, will afford relief to some extent. But I have thought it prudent to put against this the increased interest we shall have to pay upon the new loan and upon fresh borrowing, which must certainly occur, and also the increase upon our ordinary expenditure, which is sure to take place. There is no reason to suppose, judging from present circumstances, that the expenditure or revenue will differ materially next year from that above stated; I shall therefore take, as sufficiently accurate for all practical purposes, the above estimate of expenditure and revenue, to show the probable effect of the financial policy the Government are proposing for adoption.

I will first ask the Committee to turn for a moment to the table of the estimated expenditure (Table E), which, upon examination, will be seen to contain one very large item of £275,620 for subsidies to local bodies. Many honorable members think this contribution in aid of rates wrong in principle, and many more think that, considering our present financial condition, payment of it should cease at the end of the year. I am one of those who think it fair and reasonable that the State, as the State, should contribute towards the cost of keeping open and improving the means of communication throughout the country, and that it is altogether a mistake to suppose that by striking this item out of the Estimates the people of the colony will be relieved to that extent from taxation. To all those who have given any attention to local subjects it is well known that an amount equal to this large sum must be raised for local works; striking this item out of the Estimates will therefore be no real relief to the country at large, nor will it leave more money in the pockets of the settlers; but the question as to the fairest and easiest means by which the necessary amount can be raised is no doubt open to discussion, and is well worthy of the serious attention of this House. The Government, however, have come to the conclusion, after careful consideration, that a better means than the present of raising this money can be devised, and they will therefore recommend that the subsidies next year should be discontinued. Should the House determine to retain them, taxation will have to be proportionately increased. The important question of local finance is far too large to go into this session, therefore I will say no more upon the subject now, except, Sir, that the Government fully recognize the fact that it is their duty to submit to this House, upon its first meeting next session, a scheme which shall place local finance on a satisfactory and something like a permanent basis; and, by satisfactory, the Government understand placing local bodies in such a position as will enable them to obtain as far as is possible sufficient funds for all necessary works, while drawing a broad and distinct line between local and general finance; and such a scheme the Government will endeavour to mature before the next meeting of Parliament.

Honorable members will bear in mind that I am now speaking of what I may call the permanent deficit—that is, I am speaking of the probable position we should find ourselves in at the end of next year if the receipts from land sales and the expenditure upon land are eliminated from both sides of the account, and am not now making provision to meet the estimated deficiency of the current year. I therefore deduct the subsidies, £275,620, from the deficit of £819,669 already mentioned, and find that there remains to be provided for £544,049; and this, Sir, the Government propose to meet by the imposition of a property-tax, the increase of the customs and stamp duties, and the release of sinking funds and interest by bringing the Consolidated Stock Act into operation. That our difficulties might be tidied over much more pleasantly for a few years by the sale of land to make good the deficiency of our ordinary revenue, a course not altogether unknown in some parts of the colony in years gone by, is true; but Sir, the present Government and all the members of it are, and always have been, opposed to such a policy, and I feel confident that we shall receive the hearty support of the House, and of the country, in giving effect to our proposals to sell land only for settlement, and to make our ordinary revenue equal our ordinary expenditure by the imposition of the necessary taxation after all possible reductions have been made in the expenditure.

#### PROPERTY-TAX.

Sir, no taxation is pleasant, and a new tax is especially unpalatable—the more so if direct in its form; but it will, I think, be generally admitted that we have now reached a stage at which a Property-tax in some shape is unavoidable. The principle of a land-tax has already been affirmed by this House, and there is much to be said for the policy of specially taxing unused land, held for speculative purposes. If it were practicable, I should certainly advocate the special taxation of unused land, but, in my opinion, it is not practicable. And taking the ordinary holdings of improved land, I am unable to see upon what principle of justice or expediency it is held that this is the only form of property which should be taxed. Why, I wish to know, should the farm of the hard-working pioneer settler, or the frontage of the struggling city tradesman be taxed, while bank shares, mortgages, and other such property are allowed to go free? I shall, therefore, ask the House to impose a property-tax upon the American model, excluding incomes, and thereby to affirm the principle that realized wealth, in whatever form, shall bear its fair share of the burdens of the State. The Government, after careful consideration, have come to the conclusion that an income-tax is not applicable to the existing circumstances of the colony. It is inquisitorial, and unavoidably open to great inequalities. The machinery, too, for levying such a tax must be elaborate and expensive, and far out of proportion to the revenue to be derived from it. For these reasons and many others with which I will not now trouble the Committee, but which can be fully discussed upon the second reading of the Property-Tax Bill, the Government have, as I have said, decided not to include incomes in the proposed tax.

Sir, the Government will ask Parliament to merge the Land-Tax in the Property-Tax which we intend to introduce, thus including land in the same category as all other property, making it equally but not specially liable to general taxation. Parliament has already approved of this principle by directing, in the case of intestate estates, that real shall be treated as personal property for the purposes of succession, and for taxation on succession. It would hardly be convenient that I should, upon the present occasion, discuss the policy of a land-tax; but the Committee will, perhaps, permit me to say a few words upon the subject, as it is one of great importance. The land-tax was, I presume, imposed either—first, for the purpose of revenue; second, to check the growth of large landed estates; third, to prevent land being held for speculative purposes; or, fourth, for all these reasons together. With regard to the first I would say that as we have some twenty-six millions of acres of land for sale, some five millions of which are classed as agricultural land, and as the one object which we all desire most is the settlement of people upon the land, it is surely unwise, and will tend to defeat the object we have in view, if we impose special



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



local industries. In the meantime, the Government propose to admit many articles duty free, so as to assist local manufactures as much as possible.

But, Sir, before making any remarks with respect to the articles upon which new or increased duty is to be charged, it will be better to say a few words upon a question which has been much discussed—the duties upon tea and sugar. Upon these articles we do not propose to reimpose the duties remitted last year, but it may be necessary to reimpose them next year upon a general revision of taxation.

The articles upon which we propose to increase or impose duties are:—Almonds and Nuts, Chaff, Corks, Dried Fruits, Fresh Fruit other than oranges and lemons, Window-glass, Grain and Flour, Malt, Split Peas, Hops, Iron Fencing, Tanks, Matches and Vestas, Preserved Milk, Nails, Perfumery, Patent Medicines, Timber, Salt, Stearine, Spirits, Tobacco and Cigars, Wine, and all goods at present charged with *ad valorem* duty.

The particulars of the duties proposed to be levied on these articles will be found in Table G appended. The total amount they are estimated to produce is about £300,000.

We propose, as will be seen, to reimpose the duties on timber and grain. We think experience has shown that their repeal has very injuriously affected the local shipping trade, and also the timber industry, which was a growing and important one, and which we are certainly not justified in seriously crippling without some compensating advantage to the State, but which we altogether fail to see has followed the repeal of these duties.

We propose to increase the duties on spirits and on tobacco.

With regard to spirits, we shall ask for an increased duty of 2s. per gallon, granting at the same time an allowance for such as are under proof the same as is now charged upon spirits over proof. This mode of levying the duty is, I believe, the custom in almost every other country. To make up the loss to the revenue which will result from this allowance for spirits under proof will require an addition of at least 6d. a gallon, so that the proposed increase is really only 1s. 6d. per gallon, or in the whole, £47,000; giving a total on spirits, wine, &c., of £56,000.

We propose to increase the tobacco duty by 1s. per pound, and to authorize its manufacture in bond, granting as an encouragement to its local manufacture a bonus, for the next two years only, of 6d. in the pound upon the quantity of tobacco manufactured and duty paid in the colony. The increase on this item is estimated at £50,000.

From spirits, wines, &c., and tobacco, including cigars and snuff, I hope, then, to obtain £106,000. I am aware that in increasing these duties some risk is run of inducing illicit distillation and smuggling—there is always, as every one is aware, a danger and possibility of this when duties are increased—and the Government are by no means certain that in consequence of the increased duties the revenue may not be defrauded in the manner mentioned, but they do not think this will occur to any large extent, and they believe, looking at our requirements, that upon no articles included in the tariff would Parliament approve of increased duties so readily as upon spirits and tobacco. Nothing but our own experience can tell us when we have reached the maximum duty which these articles will bear without loss to the revenue.

But, Sir, before proceeding to state what further burdens it is necessary to impose, it will be convenient here to state what relief can be afforded in the way of remission of duties. It is proposed to remit the duties on Carriage Makers' and Saddlers' Ironmongery, Carriage Makers' Leather, Buggy Shafts, Bent Carriage Timber, Hickory, Hatters' materials, fine Wire for brush-making, Sheet Zinc, plain Galvanized Sheet-iron, Sulphate of Soda, Almonds—such as are used in confectionery, Phosphorus, and Oil of Rhodium. These remissions amount to £15,000; and it is hoped that, with these alterations, and, by the aid of further reductions which are in contemplation, local industries will be placed in a more advantageous position than at present.

The Government also, Sir, propose to abolish all light dues for vessels employed in the coasting trade. This, it is also hoped, will give material assistance to that important branch of our industries, the local shipping trade. I hope, Sir,

the time is not far distant when we shall be able to extend remissions still further in this direction. The loss to the revenue by this remission will be £5,000.

#### STAMP DUTIES.

These might be increased in several cases, but, looking at the fact that these duties are levied mainly on transfers of property, and that it is proposed to put a special tax on property, the Government have determined not to ask for any increase of the Stamp Duties except those upon successions. It is generally admitted that, on the occasion of a succession to large property, the State may demand without unfairness to any one a contribution having some relation to the amount of the estate. The principle of a graduated tax upon successions has been accepted as right; and the Government propose, therefore, to revise the existing duties in the direction of making large accumulations contribute to the public exchequer in greater proportion than they have hitherto done. It is estimated that these additional duties will produce £16,000 at present, and will be constantly increasing.

#### CONSOLIDATED STOCK.

It is, Sir, a matter for great regret, looking at our financial position, that no real effort has been made to bring the Consolidated Stock Act of 1877 into practical operation. We are now paying £116,176 per annum as sinking fund proper, on our loans; we shall also pay, this year, interest amounting to £43,165 on bonds of the Consolidated Loan, drawn and cancelled—interest which increases in amount every year; and, being applied annually to the further redemption and cancellation of bonds, is, in reality, sinking fund. Then we invest the accretions of the sinking funds of other loans in our own bonds, and the interest we are now paying on these latter bonds amounts to £40,041 per annum, so that in the present year we shall actually pay no less a sum than £199,382 towards the redemption of our public debt.

By this it will be seen that we are on the one hand repaying our debt at the rate of nearly £200,000 per annum out of revenue, while on the other hand we are borrowing largely to complete our railway system. This, upon the face of it, does not appear a very wise arrangement, and I need hardly say that the Government will lose no time in giving effect to the will of Parliament in this matter expressed by Act, now more than two years ago. Sir, the operation of consolidation is necessarily a work of time; but I trust that, under the management of persons desirous of giving effect to the Act of 1877, considerable relief will be afforded to our revenue—if not next year, at any rate the year after. The annual amount of sinking fund and interest thereon to be released by consolidation being dependent on the success which may attend the operations of the Agents appointed under the Act we cannot rely on obtaining much, if any, relief from this source during the current year; I must, however, ask the Committee to bear it in mind, as a certain means of diminishing our expenditure in the near future, and to consider whether it may not be advisable to make some temporary provision, if necessary, until this relief is obtained. With regard to the general question of the expediency of a sinking fund, I think it very unwise in us, with our railways incomplete, to attempt to maintain one, especially when it is remembered that in no case do we capitalize the interest upon these works, as is done in the case of railway companies, until the works are complete, but that the whole interest on money used upon works in course of construction, as well as that spent in completed works, is charged upon and paid out of consolidated revenue.

#### SUMMARY OF PROPOSALS.

Summarizing, then, my proposals, they will stand thus: to be raised by Property-tax, £470,000; by Customs, £300,000; by Stamps, £16,000; making a gross increase to the revenue of £786,000; from which, however, must be deducted the remissions stated above amounting to £20,000, together with the land-tax, £147,300, which it is proposed to merge in the general property-tax next year, thus giving a net increase of £618,700. Honorable members will observe that

I have not taken credit for any saving for interest or sinking fund which may be released by inscription of stock. We may obtain some relief from this source during next year; but the uncertainty of this is so great that it would not be prudent to calculate upon it. I hope, however, when such relief comes, we shall be enabled to considerably reduce taxation, and, as I have said before, I think we may look for this relief at an early date.

It is proposed, then, by these means to raise £618,700 additional revenue; if this be added to the revenue from present sources, estimated to amount, exclusive of land sales, to £2,945,900, we get £3,564,600 as the total revenue for the year. The estimated expenditure I have taken as probably £3,489,949; and if we deduct this sum from the revenue, we arrive at an estimated surplus of £74,651.

From these figures I think honorable members will see that the proposals of the Government, if they should meet with the approval of the House, will, without any reasonable doubt, equalize our expenditure and income.

#### HOW DEFICIENCY FOR CURRENT YEAR IS TO BE MET.

Sir, it now only remains for me to deal with the deficiency for the current year. The question of the advisability of changing the time when the financial year shall end has been raised from time to time in Parliament, but for various reasons has never yet been favourably entertained. The Government, Sir, have come to the conclusion that the change might now be effected with advantage to the public service, and with the general approval of honorable members. I shall, therefore, propose that the financial year shall in future end on the 31st March. The first and obvious advantage which will follow this change is that it will shorten the period during which our present estimated disparity between income and expenditure will run, and will enable us to begin a new financial year by the time our increased taxation has come fairly into force. The period of year, too, when Parliament will meet—namely, about the middle of May—will, I have reason to believe, better suit the convenience of honourable members than the time at which the House now sits. Sir, I have already said that the deficiency for the year will probably amount to £951,002; but, should the House sanction the proposed change in the financial year, our current financial period will terminate on 31st March next, and the deficit to be immediately provided against will be proportionately diminished. I estimate that the expenditure for the nine months will be £3,110,262, and the revenue for the same period, including the receipts from the new taxation, will be £2,445,200, leaving a deficit of £665,062, to which I add the deficit of £131,824 at the close of last year, and arrive at £796,886 as the amount of deficiency to be provided for. Sir, it is now the middle of November; five months, therefore, of the financial year have practically gone, and we have already issued and absorbed deficiency bills to the amount of £600,000. It is not, in the opinion of the Government, either possible or wise to attempt, under our present circumstances, wholly to meet this deficiency by taxation. We are, I hope, about to take a new departure in finance, the proposals of the Government, if given effect to, insuring in the future, a state of equilibrium between expenditure and income. But to secure this result, taxation of a very onerous character will have to be imposed, and the Committee will, I think, agree with me in the opinion that to impose special taxation for the purpose of the current period would be impossible. The Government will, therefore, ask authority to provide by loan for such deficiency as may be found to exist on 31st March next. It will include, of course, the deficiency bills already issued. To redeem these, and to cover the balance, I shall ask the House for authority to issue Treasury bills. These latter the Government propose to have inscribed as soon as possible under the authority of “The Consolidated Stock Act, 1877.” I make this proposition with great regret, but I think it will be admitted on all sides that it is impossible to do more this year, and that to hamper ourselves continuously with a floating debt of that amount would be impolitic and unwise.

I have said, Sir, that by ending the financial year on the 31st March, it will enable the House to meet about the middle of May, which is, I think, the earliest month that will suit the general convenience of honorable members.

I should, Sir, have proposed to terminate the financial year in April, as more generally convenient, but doing this would have broken up the quarters as well as the year, thereby rendering comparisons with former years almost impossible; by retaining the quarters unbroken, comparisons can be made without much difficulty. I hope the Committee will agree with me in thinking this a sufficient reason for ending the financial year in March instead of April. Should the House agree to the proposed change, I shall ask, Sir, authority to continue the expenditure during the June quarter upon the scale of the Estimates voted for this year. This seems to me a better plan than carrying on the Government by means of unauthorized expenditure, and Imprest Supply Bills, upon Estimates which have never been seen by the House.

The plan will operate in this way: The financial year ending on the 31st March, the Treasury will have plenty of time to get the Estimates and Financial Statement, and the accounts of the year, in as much detail as may be desired, ready before the House meets. Immediately upon the House meeting, votes for the several classes could be taken on account, as in England, and the House would then know for what purposes the money was voted, and the proposed scale of expenditure for the year.

I shall also propose that, in future, the cash received within the year shall be the receipts of the year, and the expenditure made within the year shall be the expenditure of the year. The only objection that I know to this proposal is, that a Government may hold back payments for political purposes, and so make the expenditure appear less in one year and more in another. I should propose to obviate this by causing each department to send to the Audit Office returns showing its outstanding liabilities on the 31st March, within forty days of the end of the year, duly certified by the Under Secretary of each Department; and the Audit Office should place the returns before Parliament within ten days of its opening, if it opened after the 10th day of May, and if before that time, then within fifty days from the 31st March.

Sir, my task is now nearly done. I have to thank the Committee for the kind and patient hearing it has given me, and to say, in conclusion, that I am fully sensible of the grave responsibilities resting upon the Government and the House at the present time. The Government, Sir, have endeavored to grasp the financial position of the colony as a whole, and our present proposals are submitted as part of a general scheme. We feel, Sir, that we should be utterly unworthy of the trust reposed in us if we had only resorted to temporary expedients at such a crisis. The time, Sir, for temporary measures has passed away. We have endeavored to go to the root of the matter, and at once, by a resort to fresh taxation, and other important reforms, to place our finance on what we believe to be a sound and enduring basis. Sir, the imposition of fresh taxation to such an extent as I have proposed to-night, and at such a time as this, can only be justified by the necessities of the case. The position is one which admits of no hesitation. We might attempt to extricate ourselves from a present difficulty by forcing the sale of land, at a price and upon terms which would involve large sacrifices in the future settlement of the colony. Both our credit and our capital would ultimately suffer by such a course, even if it were temporarily successful. On the other hand, by the adoption of our proposals for increased taxation, for placing the bulk of that taxation upon those most able to bear it, and for entering on a course of careful administration, we shall permanently strengthen the one and conserve the other. We make these proposals with a firm belief in the ample resources and rallying power of the colony, and in entire confidence that the good sense of the colonists will prefer present self-denial to any sacrifice of the permanent interests of the country. Sir, in whatever way our plans may be dealt with, this at any rate is certain, that the country will be satisfied with no temporary expedients, will submit to no makeshifts, but will insist upon our finance being placed on a well-defined, solid, and lasting foundation.

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## TABLES REFERRED TO IN THE FOREGOING STATEMENT.

Table A.

COMPARATIVE STATEMENT of the Actual REVENUE of the CONSOLIDATED FUND for the three Years ended 30th June, 1879; together with an Estimate of the REVENUE from present Sources for the Year ending 30th June, 1880.

	1876-77.		1877-78.		1878-79.		1879-80 (Estimated).	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.
<b>RAISED BY TAXATION,—</b>								
Customs ... ..	1,197,473	0 0	1,272,961	0 0	1,307,736	0 0	1,200,000	0 0
Stamps ... ..	122,170	0 0	151,068	0 0	197,501	0 0	165,000	0 0
Land-Tax ... ..	...	...	...	...	...	...	147,300	0 0
	1,319,643	0 0	1,424,029	0 0	1,505,237	0 0	1,512,300	0 0
<b>SERVICES RENDERED,—</b>								
Postal ... ..	108,515	0 0	113,564	0 0	128,308	0 0	135,000	0 0
Telegraphic ... ..	63,487	0 0	72,519	0 0	82,968	0 0	80,000	0 0
Judicial ... ..	47,653	0 0	46,797	0 0	52,465	0 0	48,000	0 0
Land Transfer ... ..	29,939	0 0	36,578	0 0	40,628	0 0	36,000	0 0
Registration and other Fees ... ..	23,435	0 0	34,311	0 0	27,973	0 0	34,000	0 0
Marine ... ..	18,938	0 0	22,381	0 0	24,269	0 0	22,100	0 0
Miscellaneous ... ..	26,233	0 0	40,217	0 0	61,766	0 0	46,500	0 0
	318,250	0 0	366,367	0 0	421,377	0 0	401,600	0 0
Railways ... ..	311,252	0 0	546,458	0 0	755,467	0 0	900,000	0 0
	629,502	0 0	912,825	0 0	1,176,844	0 0	1,301,600	0 0
<b>TERRITORIAL,—</b>								
Land Sales ... ..	870,819	0 0	1,440,824	0 0	737,694	0 0	248,000	0 0
Depasturing Licenses, Assessments, &c.	135,036	0 0	145,738	0 0	132,035	0 0	132,000	0 0
	1,005,855	0 0	1,586,562	0 0	869,729	0 0	380,000	0 0
<b>SUMMARY.</b>								
<b>Ordinary Revenue,—</b>								
Raised by Taxation ... ..	1,319,643	0 0	1,424,029	0 0	1,505,237	0 0	1,512,300	0 0
For Services rendered ... ..	629,502	0 0	912,825	0 0	1,176,844	0 0	1,301,600	0 0
	1,949,145	0 0	2,336,854	0 0	2,682,081	0 0	2,813,900	0 0
Territorial ... ..	1,005,855	0 0	1,586,562	0 0	869,729	0 0	380,000	0 0
Total ... ..	£2,955,000	0 0	£3,923,416	0 0	£3,551,810	0 0	3,193,900	0 0

Table B.

COMPARATIVE RETURN of the CUSTOMS REVENUE collected during the THREE FINANCIAL YEARS ended 30th JUNE, 1879.

Heads of Revenue.	1876-77.		1877-78.		1878-79.	
	£	s. d.	£	s. d.	£	s. d.
Spirits ... ..	367,251	0 0	379,461	0 0	383,821	0 0
„ New Zealand ... ..	7,412	0 0	4,315	0 0	3,194	0 0
Cigars and Snuff ... ..	18,406	0 0	19,433	0 0	19,795	0 0
Tobacco ... ..	126,734	0 0	131,337	0 0	129,644	0 0
„ Sheepwash ... ..	90	0 0	265	0 0	235	0 0
Wine ... ..	37,093	0 0	37,973	0 0	39,902	0 0
Ale, Beer, &c., in bottle ... ..	19,663	0 0	21,423	0 0	27,907	0 0
„ in wood ... ..	3,966	0 0	4,599	0 0	4,197	0 0
Tea ... ..	76,516	0 0	80,978	0 0	65,283	0 0
Coffee, Cocoa, &c. ... ..	8,883	0 0	8,392	0 0	8,500	0 0
Coffee, Roasted... ..	35	0 0	31	0 0	66	0 0
Sugar and Molasses ... ..	126,883	0 0	131,539	0 0	102,432	0 0
Opium ... ..	2,926	0 0	2,609	0 0	2,884	0 0
Goods by weight ... ..	68,874	0 0	77,860	0 0	93,522	0 0
<i>Ad valorem</i> ... ..	295,702	0 0	330,770	0 0	363,614	0 0
Other Duties not specified above ... ..	38,719	0 0	43,473	0 0	64,517	0 0
Totals ... ..	1,199,153	0 0	1,274,458	0 0	1,309,513	0 0

Table C.

COMPARATIVE STATEMENT of the STAMP REVENUE collected during the THREE FINANCIAL YEARS ended 30th JUNE, 1879.

—	1876-77.		1877-78.		1878-79.	
	£	s. d.	£	s. d.	£	s. d.
<b>ADHESIVE STAMPS :—</b>						
Stamp Act, 1875,—						
Schedule 1 ... ..	49,971	3 0	68,532	5 9	78,305	1 0
Schedule 2 ... ..	5,878	6 4	11,618	8 1	46,648	5 6
Stamp Act, 1866,—						
Probate ... ..	878	14 2	224	1 1	347	7 11
Administration ... ..	1,328	4 7	72	13 10	94	5 9
Legacies and Residues ... ..	1,690	17 7	3,169	13 0	2,433	18 0
Succession ... ..	341	7 10	748	6 4	1,307	14 3
Fines and Penalties ... ..	1,437	2 9	1,466	6 6	1,556	4 5
<b>IMPRESSED STAMPS :—</b>						
Stamp Act, 1875,—						
Schedule 1 ... ..	36,448	19 6	38,641	10 5	42,038	11 3
Licences to Companies ... ..	6,908	9 0	8,720	16 3	9,351	3 3
<b>BANK COMPOSITION</b> ... ..	17,355	8 7	17,886	2 10	19,720	19 0
<b>MISCELLANEOUS RECEIPTS</b> ... ..	15	19 9	25	15 8	23	2 10
Totals ... ..	122,254	13 1	151,105	19 9	201,826	13 2

Table D.

COMPARATIVE STATEMENT of the LAND REVENUE for the THREE FINANCIAL YEARS ended 30th JUNE, 1879.

—	1876-77.		1877-78.		1878-79.	
	£	s. d.	£	s. d.	£	s. d.
Land Sales ... ..	870,819	8 7	1,440,824	4 5	737,694	6 9
Depasturing Licenses, Assessments, &c. ... ..	98,834	16 1	94,224	2 2	92,009	9 10
Rents and Miscellaneous ... ..	36,201	8 5	51,514	12 10	40,025	15 6
Totals ... ..	1,005,855	13 1	1,586,562	19 5	869,729	12 1

**Table E.**  
**CONSOLIDATED FUND.—Estimated Revenue and Expenditure for the respective periods of Twelve and Nine Months.**

REVENUE.	ESTIMATED REVENUE FOR 12 MONTHS.			ESTIMATED REVENUE FOR 9 MONTHS.			EXPENDITURE.	ESTIMATED EXPENDITURE FOR 12 MONTHS.			ESTIMATED EXPENDITURE FOR 9 MONTHS.			
	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.	
<b>ORDINARY REVENUE:—</b>														
Customs	1,200,000	0	0	950,000	0	0	PERMANENT APPROPRIATIONS:—	29,750	0	0	22,488	0	0	
Stamps	165,000	0	0	125,000	0	0	Civil List	1,343,372	0	0	1,036,930	0	0	
Land-Tax	147,300	0	0	147,300	0	0	Interest and Sinking Fund	414,194	0	0	351,201	0	0	
Railways	900,000	0	0	675,000	0	0	Under Special Acts, including Subsidies, £275,620							
Postal	135,000	0	0	101,200	0	0	<b>ANNUAL APPROPRIATIONS:—</b>							
Telegraphic	80,000	0	0	60,000	0	0	Class I. Colonial Secretary	232,853	0	0	195,870	0	0	
Judicial	48,000	0	0	36,000	0	0	" II. Colonial Treasurer	25,950	0	0	19,640	0	0	
Land and Deeds	36,000	0	0	27,000	0	0	" III. Minister of Justice	123,707	0	0	93,339	0	0	
Registration and other Fees	34,000	0	0	25,500	0	0	" IV. Postmaster-General	281,269	0	0	209,874	0	0	
Marine	22,100	0	0	16,600	0	0	" V. Commissioner of Customs	101,177	0	0	77,662	0	0	
Miscellaneous	46,500	0	0	34,900	0	0	" VI. Commissioner of Stamps	26,163	0	0	19,804	0	0	
<b>TERRITORIAL REVENUE:—</b>							" VII. Minister of Education	263,114	0	0	199,813	0	0	
Land Sales	248,000	0	0	186,000	0	0	" VIII. Minister of Native Affairs	47,191	0	0	38,687	0	0	
Departuring Licenses, &c.	132,000	0	0	60,700	0	0	" IX. Minister of Lands and Mines	209,438	0	0	148,776	0	0	
							" X. Minister for Public Works	726,971	0	0	546,598	0	0	
							" XI. Minister of Defence	187,929	0	0	149,580	0	0	
Total Estimated Revenue	3,193,900	0	0	2,445,200	0	0	Total Estimated Expenditure	4,013,078	0	0	3,110,262	0	0	
Balance for which provision requires to be made	951,002	0	0	796,886	0	0	Deficit of the Year 1878-79	131,824	0	0	131,824	0	0	
Total	£4,144,902	0	0	£3,242,086	0	0	Total	4,144,902	0	0	3,242,086	0	0	



Table F.

STATEMENT showing PROPOSALS for EQUALIZING INCOME and EXPENDITURE.

	£		£
Estimated Revenue for twelve months from present sources ( <i>see</i> Table E) ... ..	3,193,900	Estimated Expenditure for twelve months chargeable on the Consolidated Fund as at present. ( <i>See</i> Table E) ... ..	4,013,078
Deduct Land Sales ... ..	248,000	Deduct amount chargeable on Land Sales,—	
		Crown Lands Department ... ..	£22,105
		"    Miscellaneous ... ..	1,300
Deficit ... ..	819,669	Surveys ... ..	129,894
		Photo-Lithographic Branch ... ..	2,790
			£156,089
		20 per cent. Land Sales ... ..	74,000
		Deferred payments ... ..	10,000
		New Plymouth Harbour Board, &c. ... ..	7,420
			247,509
	3,765,569		3,765,569
Additional Taxation,—		Deficit brought down ... ..	819,669
Property-Tax ... ..	£470,000	Deduct Subsidies to be discontinued ... ..	275,620
Customs Duties ... ..	300,000		544,049
Stamp Duties ... ..	16,000		
	786,000		
Deduct,—			
Customs Duties re-	£		
mitted ... ..	15,000		
Light Dues remitted ... ..	5,000		
Land-Tax ... ..	147,300		
	167,300	Surplus ... ..	74,651
	618,700		618,700
	618,700		

**Table G.**  
LIST OF NEW and ADDITIONAL DUTIES.

	Present Rates.	New and Additional Duties.
Almonds in the shell and Nuts of all kinds, except Cocoa-nuts ... ..	1d. per lb. ...	2d. per lb.
Chaff ... ..	Free ...	10s. per ton.
Corks, bottling ... ..	Free ...	15 per cent. ad val.
Fruits, dried ... ..	1d. per lb. ...	2d. per lb.
Fruits, fresh, other than Oranges, Lemons, Bananas and Pine Apples ... ..	Free ...	15 per cent. ad val.
Glass, crown, sheet, and common window ... ..	1s. per 100 ft. ...	2s. per 100 ft. super-ficial.
Grain and pulse of every kind not otherwise enumerated ...	Free ...	9d. per 100 lb.
Grain when ground or in any way manufactured ...	Free ...	1s. per 100 lb.
Malt ... ..	1s. 6d. per bushel ...	2s. per bushel
Peas, split ... ..	Free ...	1s. per cwt.
Hops ... ..	3d. per lb. ...	6d. per lb.
Iron fencing wire, staples, and standards ... ..	Free ...	20s. per ton.
Iron, Galvanized, corrugated sheets, Guttering, Ridging, and Spouting, Washers, Screws, Nails, and Wire Netting ...	20s. per ton ...	40s. per ton.
Iron Tanks ... ..	Free ...	5s. each.
Matches of all kinds ... ..	10 per cent. ...	25 per cent. ad val.
Milk, Preserved ... ..	Free ...	15 " "
Nails ... ..	2s. per cwt. ...	3s. per cwt.
Perfumery and Toilet preparations not otherwise enumerated ...	10 per cent. ...	25 per cent. ad val.
Proprietary Medicines, commonly called Patent Medicines, or any medicine or preparation of which the recipe is kept secret, recommended by advertisement, bill, or label for the relief of any disorder or ailment ... ..	10 per cent. ...	25 per cent. ad val.
Timber, sawn, rough ... ..	Free ...	2s. per 100 ft. super.
" " dressed ... ..	Free ...	4s. " "
" Shingles and Laths ... ..	Free ...	2s. per thousand.
" Palings ... ..	Free ...	2s. per hundred.
" Posts ... ..	Free ...	8s. "
" Rails ... ..	Free ...	4s. "
Salt ... ..	Free ...	20s. per ton.
Spirits or strong waters, not being sweetened or mixed with any article, so that the degree of strength thereof cannot be ascertained by Sykes's hydrometer, for every gallon of the strength of proof by such hydrometer and so in proportion for any greater or less strength than the strength of proof, and for any greater or less quantity than a gallon ... ..	12s. per gallon ...	14s. per proof gallon.
Spirits—Other Spirits, being sweetened or mixed so that the degree of strength cannot be ascertained as aforesaid ...	12s. per gallon ...	14s. per gallon.
Spirits—Liquers and cordials ... ..	12s. per gallon ...	14s. per gallon.
Perfumed spirits and Cologne water ... ..	12s. per gallon ...	21s. per gallon.
Stearine ... ..	Free ...	1d. per lb.
Tobacco ... ..	2s. 6d. per lb. ...	3s. 6d. per lb.
Cigars and cigarettes ... ..	5s. per lb. ...	6s. per lb.
Wine other than sparkling and Australian ... ..	4s. per gallon ...	5s. per gallon.
All articles not otherwise enumerated which are now chargeable with duty at 10 per centum ad val. ... ..	10 per cent. ...	15 per cent. ad val.

**Table H.**

LIST OF ARTICLES to be EXEMPTED from DUTY.

Almonds, Barbary, Bitter, and other for confectionery.  
Bolts and Nuts.  
Carriage Bolts and Nuts, Tire Bolts, Shackle Holders, and other iron fittings for carriages.  
Morocco, Roan, Japanned, and Enamelled Leather, and Tanned and Dressed Seal Skins and Goat Skins.  
Buggy Shafts, Bent Wheel-rims, and other Bent Carriage Timber.  
Hickory, unwrought.  
Hatters' Galloons and Hatters' Calicoes.  
Fine Iron, Brass, and Copper Wire for use in brush-making.  
Phosphorus, and Oil of Rhodium.  
Sulphate of Soda.  
Saddlers' Ironmongery.  
Grindery.  
Sheet Zinc.  
Plain Sheet Galvanized Iron.

