

expenditure or increase our revenue. The Government see no prospect, after careful consideration of the subject, of reducing expenditure for this year below the amount estimated, whatever we may hope for from the reorganization of the Civil Service to which I have already referred. There remain, therefore, as the only alternatives—increased taxation, or charging some services upon loan. The latter course the Government are not prepared to recommend; I shall therefore propose an increase in the Property-tax of one farthing in the pound, and this I estimate to produce £85,000. Adding this amount, then, to the estimated revenue, £3,609,349, we get a total revenue of £3,694,349; and subtracting from this our estimated expenditure, £3,661,496, we obtain a probable surplus of £32,853 on the 31st March, 1884. This is not as large a margin as might be desirable, but the fact of its smallness will, no doubt, render the Government even more careful than heretofore in the expenditure of the votes authorized by this House, and will, I trust, insure the assistance of the House being given to the Government in resisting any extraordinary proposals for expenditure which may be submitted for its consideration.

Land Fund.

I have already said, Mr. Hamlin, that the amount available from the proceeds of land sales, after the necessary charges for expenditure upon main roads under the Roads and Bridges Construction Act have been deducted, will only be £28,284. This result is decidedly unsatisfactory from one point of view, especially when it is seen that no provision has been made for the expenditure of 20 per cent., as provided by the Act, for opening up new lands. This deficiency in anticipated funds arises, as honourable members will no doubt see, from the falling off in the land revenue, which was £81,695 less last year than the estimated amount; and this year it is only estimated to produce £275,600. This falling-off in the land sales has arisen partly from the reservation—as subsidies for railways under the Act of 1881—of lands which had been previously intended and prepared for sale, and partly from the principle upon which the department has been and is being worked—the chief consideration which is now guiding our land administration being the settlement of the country in small holdings. This has necessitated large areas being sold, and set apart for sale, under the deferred-payment system, and also under the perpetual-lease system. The subject will be brought under the notice of the House by the Minister for Lands, upon the second reading of the Land Act Amendment Bill. It is one of great moment to the future prosperity of the colony; and will require, and, I am sure, receive, the careful consideration of the House. The financial aspect of the question is also of importance. We have, since separating the proceeds of our land sales from ordinary revenue in 1881, relied upon our land sales to produce, over and above the permanent charges and necessary expenses of the fund, from £150,000 to £200,000 a year, which was to be applied to the construction of local public works. We have, however, in the interests of settlement, been gradually diminishing the sale of our public estate without properly recognizing the fact, for the last three years; and if the House should determine to continue this course, as I have no doubt it will, we shall have again to face the question as to the best way of providing means to supply the Main Roads Fund constituted under the Roads and Bridges Construction Act. The course, however, which we shall finally pursue in dealing with our public estate being yet undecided, it would be premature to make any proposals upon the subject at present. It is, however, clear that, as we are administering the land department in the interests of settlement rather than of revenue, we must also, in the interests of settlement, make sufficient provision for the Main Roads Fund. I shall, therefore, propose that there should be paid to that fund for the current year, out of the Public Works Fund, a sum of £74,000—an amount sufficient, with the available balance of the land sales, to make up £100,000.

With reference to opening up land before sale, honourable members will recollect that £200,000 was placed upon the Schedule of the last three-million loan for this purpose. Of this, £80,000, in round numbers, was spent last year; and it is proposed by the Land Department to ask this year for the balance of the vote. A large amount of most useful work has been executed with this money, as honourable members will see when the report of the Surveyor-General is before them.