

I was also, it may be remembered, opposed to any property-tax or land-tax unless it was localized. Here again I have somewhat modified my views. If such a tax were localized the towns would chiefly enjoy it, and the country districts, which most require it, would get the least. For the sake of that mutuality of interest to which I have alluded, it is better the State should collect the whole and average its distribution. I carried last year the repeal of half the property-tax, and said that I would like to do away with it all if the charitable aid could be localized. I propose now to return it to  $\frac{3}{4}$ d. in the pound, to cover the amount of charitable-aid contribution with which it is still intended the State should supplement local expenditure, to meet the subsidies to local bodies, and to contribute to the increased defence expenditure. Property should surely bear its share of this burden. It will not, I think, be possible to bring into force at once the changes proposed in respect to deductions for improvements. A fresh valuation is being taken, but it cannot be completed in time to be effective this year.

#### EXPENDITURE DURING THE YEAR.

The Committee are, no doubt, prepared to learn that provision will have to be made for increased expenditure this year. Last year a sum of £64,000 for interest on a converted loan was saved to the year by the process of conversion. It arose in this way. The conversion during 1883 provided for an exchange of securities in January, 1884; but the interest was thrown so far forward into 1884 that the full year's payment of interest did not come within the year, and thus the amount of interest payable yearly was apparently reduced by about £64,000. The circumstance was explained last year, and I have previously this evening alluded to it. Then there is the increased interest on the third-million loan, and half a year's interest on the million and a half just issued. On the other hand, there is the reduced interest in respect of the conversion of the 5-30 debentures and the floating debt, and there will be a considerable saving this year on the item of £30,000 for exchange for paying interest in London. Still, on the whole, the permanent charges show an increase. There is one increase which is purely nominal. As the honorarium to members has become payable by permanent Act, it has been transferred to that heading from the class "Legislature," under which it formerly appeared. There are other items of increased expenditure, such as that for the Colonial Exhibition in London; for making the triennial valuation under the Property-Tax Act; the usual large increase for the Education vote, and the increased expenditure for Defence purposes. There is the expenditure apparent for the direct mail service, but of course there is the revenue derived from it. The English mail service costs us not less than formerly, but we have not yet doubled the postal receipts because of two mails a month. The reduction in the use of the Brindisi mail is most satisfactory, and we save a considerable amount on the cost of the last year of the present San Francisco service.

#### THIS YEAR'S ESTIMATES OF EXPENDITURE.

The following statement, in tabular form, shows the estimates of expenditure during the current year as compared with the estimated and with the actual expenditure last year:—