

hope, meet with the approval of the Committee. It is that a primage duty of one per cent. be levied upon all goods imported into the Colony, whether free or dutiable, for two years, and that the proceeds be applied to the payment of the £128,000. This duty it is estimated will yield about £58,000 a year, and the small balance over may be safely left to be met from the ordinary revenue.

#### THE CROWN AND NATIVE LANDS RATING ACT.

This Act, as I stated last year, it is the intention of the Government to ask Parliament to repeal, reserving any rights that have been created under it; and the local bodies interested have received notice not to expect any further payments under the Act. I much regret the necessity for repealing this Act, for there is no doubt that the repeal will severely affect some of the local bodies.

#### GENERAL SUMMARY.

To summarise, then, for the convenience of honourable members, the result of my proposals, we find that, after the reduction of our ordinary expenditure by £233,000, the expenditure which we deem necessary is some £70,000 for the year more than our income from our present sources of revenue; that, to provide school and public buildings from revenue, an additional £60,000 is required; that, to continue the subsidies to Local Bodies, and to pay them all from revenue, as must be done if they are to be paid at all, another £64,000 is necessary; and that, to pay the balance of last year's deficit of £128,000, a sum of £58,000 must be provided this year and the balance in the succeeding year. Adding, then, these several amounts together, we find there is required—

To balance Revenue and Expenditure	....	....	£56,000
To provide for School and Public Buildings	....	....	60,000
To provide for the Subsidies	....	....	£64,000
			£180,000

And £58,000 for two years on account of last year's deficit of £128,000.

To provide this sum of £180,000, I have proposed additional Customs duties, estimated to yield £207,000. If the estimate should prove correct, we shall have a surplus of £27,000; so that the margin allowed is none too much.

The Committee will remember that last year the Property-tax was increased by £65,000, but no alterations were made in the Customs duties. I would desire here to call particular attention to the fact that of this £180,000 now proposed to be raised by additional taxation, £107,000 has hitherto been provided from loan—namely, £60,000 for buildings, £32,000 for subsidies, and £15,000 for defence.

Honourable members will no doubt feel with the Government that the proposed additions to our taxation are large; but if, after consideration, it is found necessary to continue the services named, it is clear the money must be found. My endeavour has been to place clearly before the Committee what our real wants are—to point out what services are rendering the increased taxation necessary, and to show how the required funds can, in our opinion, be best provided.

The matter is now in the hands of the Committee. I have laid before it the material facts relating to the financial position of the colony as clearly, as fully, and as fairly as I could. If the task has not been the pleasant one it would have been if, instead of providing for a deficit we had had to dispose of a handsome surplus, we have the satisfaction of knowing that a searching examination of the colony's accounts reveals nothing to make us doubt for a moment its financial soundness; just as, I believe, a similar examination of the material circumstances of the colony would, in spite of adverse facts, show beyond doubt its substantial prosperity. And I am sure the Committee will agree in the opinion which I hold strongly, that one of the surest means, or at least the necessary condition of increasing that prosperity, is by adhering firmly, at whatever present inconvenience, to the sober financial policy of last session.