

Depasturing licenses, rents, &c., estimated increase of £36,683.

of £36,683 under the heading of Depasturing Licenses and Rents: this arises from an increase in the rate of pastoral rents, and from the larger area taken up on the perpetual-leasing system—a system which is becoming popular, and which, as honourable members are aware, gives the lessee the right to purchase within thirty years.

Under new valuation, property-tax at present rate will yield £16,000 less.

I will presently make a few remarks about the property-tax, which, it is estimated, will yield under the new valuation £16,000 less a year upon the present penny rate than under the valuation of 1886. I shall also say a few words upon the subject of the Tariff of 1888.

Revenue from land sales, £136,100.

The Land Fund is estimated to produce £136,100 for the year 1889–90, particulars of which will be found in the tables attached to this Statement.

Estimated Results, 1889–90.

ESTIMATED RESULTS OF THE YEAR 1889–90.

Table No. 9.

From what I have just said, honourable members will see that I estimate to receive a total revenue of £4,323,900, against a total expenditure of £4,239,331; but excluding the Land Fund from both sides of the account we get a revenue of £4,187,800, against an expenditure of £4,117,331, thus showing a balance of £70,469 at the end of the year 1889–90, if my anticipations are realised. But to this amount I add what is left of last year's surplus of £77,769 after paying off £50,000 of the deficit of the year before—namely, £27,769—and get a surplus of £98,238, of which about £55,000 will be applied to the further redemption of floating debt, leaving a sum of £43,238 at the end of the current year, which is certainly not too large a margin to work upon, especially if the proposal the Government will make for the continuance of the Otago Central Railway shall be adopted; but I trust with careful management that it will prove sufficient.

Surplus of £43,238, after further reduction of floating debt by £55,000.

Property-tax.

PROPERTY-TAX.

I will now fulfil my promise, and say a few words about the property-tax. I have said that under the new valuation it is estimated that at the rate of one penny in the pound the tax will yield about £16,000 a year less than under the old valuation. This arises from the falling-off in the reputed value of real property, more or less, throughout the colony. There has been a fair increase in the value of personal property, but, as honourable members know, there has been a considerable fall in the reputed value of real property, speaking generally. This fall, although in one sense to be regretted, is, I venture to think, on the whole nothing but advantageous to the colony at large, for we all know that the price of land ruling throughout most parts of the colony was for a time and to a considerable extent its speculative value rather than its value for use: its value to the speculator—often nothing more than a mere gambler in land—not to the class of men whose well-being means the prosperity of the colony, the *bona fide* occupiers of the soil. We may well put up with a temporary loss of revenue caused by a return to a more wholesome state of things. I promised last session to consider carefully this question of the property-tax during the recess, and to give the House an early opportunity this session to discuss the question. The result of the consideration of the matter by the Government is that I shall propose certain modifications, which will require legislation to give them effect. This will enable the House to debate fully the whole question at an early date, as I propose to introduce the necessary measure to give effect to the proposed alterations in the course of a few days, and to ask for its early consideration. I may here state, without going into unnecessary particulars, that we propose, amongst other things, to exempt from the tax all machinery, which, however, will be strictly defined; and to allow any owner, or the Property-tax Commissioner, to have properties revalued under reasonable restrictions without awaiting the triennial period. These remissions, and the fall in the new valuation, will cause an estimated loss to the revenue of about £20,000, as compared with the amount received from property-tax last year; but the Government do not propose to ask for any new tax to meet this falling-off, hoping that there will prove to be sufficient elasticity in the general revenue to make it good. I do not now propose to enter into any arguments in favour of the property-tax, or of the remissions proposed, as they will come more appropriately when the Bill to which I have referred is before the House for consideration.

Certain modifications in the tax will be proposed, and necessary measure will be introduced.

Remissions and fall in valuation will result in estimated loss of £20,000.

Yield estimated at £16,000 less under new valuation.