

and San Francisco. I cannot, however, believe that we are likely to be long without a good steam service between Auckland and San Francisco.

With reference to Mr. Goschen's proposals for the reduction of the postage to 2½d., the Postmaster-General when making his statement with reference to the mail services will explain fully as to how the proposal can be given effect to without loss of revenue to the colony.

Honourable members will be pleased to observe that the amount of the proposed appropriations for the current year is slightly less than the amount voted last year—the respective totals being £1,983,334 and £1,987,237—notwithstanding the fact that the Railway Commissioners require £18,000 more than they did last year, and that we propose an extra expenditure of £15,000 for school-buildings and £8,000 for an institution for deaf-mutes.

Total proposed appropriations slightly less than voted for 1889-90.

#### LAND FUND.

The total estimated expenditure chargeable against the Land Fund is £116,557. This is less than the provision made last year by over £11,000. The reduction is caused through rates on Crown and Native lands being no longer payable except in certain cases, the Act having expired on the 31st March last.

Land Fund: Estimated expenditure, £11,000 less than voted for 1889-90.

#### ORDINARY REVENUE FOR THE YEAR 1890-91.

This brings us to the question of the ways and means for the year. Before I go into this, however, I wish to call the attention of the Committee to two subjects about which there is much difficulty. I refer first to the question of providing the necessary means for school-buildings; this expenditure, as honourable members know, has been charged to the Consolidated Fund for the last two years: secondly, to the provision required for lunatic-asylum buildings, which have hitherto been charged against the balance of the loan-money originally set apart for the purpose. The question of locally charging, if not the whole, at any rate a part of the cost of school-buildings has been mooted from time to time, and the matter has been carefully considered by the Government. We have come to the conclusion, however, that it would be very difficult with fairness to the several localities to make such a charge, and that it might seriously injure our system of education in the country districts to do so. Yet we do not see our way at the present time to charge the Consolidated Fund with the school-building vote as a permanent thing. We think the whole matter wants further consideration, and are of opinion that it would be wise for the House to make extra provision for school-buildings, and also for lunatic-asylum buildings, which I regret to inform the Committee are not nearly equal to the present requirements. This extra provision should be made for a limited time only, during which period, I trust, the growth of our ordinary consolidated revenue will render it possible to charge these buildings against it, if Parliament shall determine that it is a charge which ought permanently to be borne by the ordinary revenue. The Government, therefore, propose to continue the primage duty for another two years for the purpose of providing funds for school-buildings and lunatic-asylum buildings.

Ordinary Revenue, 1890-91. Necessity for providing for school-buildings and lunatic asylum buildings.

Proposal to continue primage duty for above purpose.

The Government think that the time has arrived when the Minister of Education should have more direct control over the vote for school buildings than has hitherto been the case, and we shall ask Parliament to amend the law so as to enable the Minister to have an effective voice in determining what buildings are unnecessary. We think also that, wherever possible, future buildings should be of stone or brick, in preference to wood. My colleague the Minister of Education will shortly go fully into this matter, for the information of the House.

More ministerial control over vote for school-buildings required.

The Government have had under their careful consideration during the recess the question of the incidence of the property-tax. The strong antagonism which seems to be felt against the tax in some important districts of the colony would alone have demanded an exhaustive reconsideration of the subject, and such a reconsideration the Government have given the matter, but, I regret to say, without seeing their way to reduce, much less to abandon, the tax in the present state of our finance; our present necessities making it

Cannot at present reduce, much less abandon, property-tax.