

landed monopoly prevents the increase of population, or where the consolidation of estates drives people into the towns or out of the colony. To acquire land to be settled in moderate-sized and small areas, a Bill has been prepared to enable land to be purchased, subject to such checks and safeguards as will absolutely prevent the possibility of the system being abused. For the present the measure need not provide for the compulsory taking of land. This may become necessary in the future, but it is believed that voluntary sale will provide sufficient land to enable the system of re-colonisation to be fairly tried before another step in advance has to be taken. The argument generally urged against the purchase of private land for settlement is twofold. It is maintained that while there is Crown land still open for sale in any part of the colony it is not a wise policy to make purchases of private estates; and that it is impossible to provide protective checks sufficient to prevent abuses arising in the purchase of private lands. To the first contention it may be replied that, if land is not available for settlement in Canterbury or Otago, the unplaced population may prefer an Australian colony to another part of New Zealand; while, with regard to the second objection, the settlement of the land by a numerous population paying a 5-per-cent. rent on the price is a complete answer. It is also beyond dispute that the cultivation of small areas enables a higher rent to be paid than the cultivation of large ones. In this instance the State, as coloniser, seeks no profit save the indirect profit and national advantage of a thrifty and industrious people contributing their fair share to the general revenue of the colony. The Government, looking to the absolute requirements of the South Island, attach the greatest importance to this measure, and hope Parliament will determine to give it the force of law in the present session.

LAND- AND INCOME-TAX.

The Committee will no doubt be glad to learn some approximate results of the assessment of land and income. Obtaining returns of income has been a difficult matter, chiefly because there was no trustworthy information as to persons who should pay income-tax, and consequently forms could not be delivered. Again, many persons who should send in returns are more or less in ignorance of the provisions of the law: hence they have not forwarded them. However, enough information has been gained to indicate that it is not probable that the estimates of £40,000 from business, and £15,900 from emolument and employment (founded on 6d. up to £1,000, and 1s. above this amount, with an exemption of £300), will be reached. I do not anticipate that the result will be seriously below the estimate, for it is expected that the number of returns will be largely augmented, and an examination of many of the incomes and the deductions therefrom will result in material alterations in the direction of a larger assessment. The estimate of £47,000 for companies will probably be somewhat exceeded, but exact figures are not yet at my command, though I am able to say it is certain that the estimate will be reached.

The graduated land-tax may be set down as about equalling the estimate, and may be taken as producing £60,000—possibly more; for here again the exact figures are not obtainable, in consequence of the reductions made by Boards of Review not having yet been taken into account. The ordinary tax on land—that is, on mortgage and on land less improvements to the value of £3,000 for each owner, and certain deductions by way of exemption—was the part of the new scheme of taxation that was most severely attacked by the opponents of the Government. My forecast of the result was freely criticized. It was alleged over and over again that the calculations must have been made on a wrong basis; elaborate statements were prepared to prove that I had been over-sanguine, if not reckless; and I understand that it has been by many looked on as certain that I should have to announce a serious deficit in this source of revenue. I was aware that the assessment of improvements would be a difficult process, and that owners and assessors would frequently differ widely in their calculations as to the value of improvements the benefit of which was exhausted. I have pleasure in stating that information has been most readily accorded by the great majority of owners, and they have assisted the officers of the department