

between £16,000 and £18,000. It is, of course, abundantly clear that our annual expenditure is rapidly growing, and has already assumed large proportions in comparison with our population; but it must at the same time be remembered that this population is very widely scattered, and there are so many large centres all requiring up-to-date conveniences which cannot be supplied without cost to the taxpayers: we must therefore be prepared to see increase and diffusion of population go hand-in-hand with increased expenditure, and we should not complain as long as there is every evidence that this expenditure is being wisely and economically made, and that taxation does not unduly press upon those least able to bear it.

Turning now to our ways and means for the year, I find that after a very careful estimate I am able to set down our receipts from all sources at £5,300,000, or £59,272 more than was received last year. The principal increases are derived from the Customs, £15,000; stamps, £20,000; railways, nearly £10,000 (the increase under this head would have been at least £50,000, but concessions have been made on previous rates amounting to £40,000, thus leaving the estimated increase only £10,000); and miscellaneous, £62,000. I may as well explain that this last increase arises from a "windfall" in the shape of the recoupment of interest paid on loans raised for the purpose of purchasing estates under the Land for Settlements Acts, and which is only now being charged against the separate account.

I have placed the revenue from the Land- and Income-tax for the present year at £8,500 less than the receipts of last year. In doing this I am guided by the fact that the land-tax on several large estates recently purchased by the Government will not be received, in addition to which it has been found that the mortgage-tax on the Common Fund of the Public Trust Office is not payable. Further, from other causes, which need not be specified, I do not anticipate that the income-tax will exceed that of last year. With regard to the mortgage-tax on the Public Trust Office Common Fund mortgages, it may be stated that, as the profits of the office reach the Consolidated Fund ultimately, the revenue as a whole does not suffer.

The territorial revenue is estimated to fall short of last year's receipts to the amount of nearly £36,000, and the marine revenue to the extent of some £1,500.

ESTIMATED RESULT AT THE END OF 1899-1900.

Balance to begin the year with	...	...	...	£495,861	
Less transfer to the Public Works Fund	...	...	...	450,000	
					£45,861
Expenditure during current year	...	...	...	5,059,729	
Revenue and other receipts	...	...	...	5,300,000	
Excess revenue	...	...	...		240,271
Estimated balance on 31st March, 1900	...	...	...		£286,132

These figures are subject, of course, to provision being made for the usual supplementary estimates, and the provision required in respect to opening up markets for our products, improved mail-services, and the Pacific cable and other contingent liabilities.

As previously stated, the utmost care and economy have been observed in preparing the estimates, and if efficiency in the public service is to be maintained, and the conveniences and growing requirements of the people are to be provided for, no considerable reduction can be effected. Adjustment of taxation must therefore be the order of the day. The form of such adjustment will depend upon the result of the investigation that is to be made, and it will be for the next Parliament to determine whether any material alteration in the system, or reduction, of taxation is to be effected.

ADDITIONAL FUNDS.

I have already mentioned that the ways and means of the Public Works Fund for the current year are not likely to be sufficient to meet the normal expenditure required to keep pace with the legitimate demands made in every direction to provide for the opening-up of new country and to give access to