

and household requirements, a result which is in keeping with the known general prosperity of the colony.

The following figures show the revenue per head of population on certain lines of goods in the years 1891 and 1902:—

	1891.			1902.		
	Per Head.	£	s. d.	Per Head.	£	s. d.
Spirits	1	17	3	1	18	11
Tobacco	1	3	7	1	3	7½
Cigars and cigarettes	0	4	7	0	7	8½
Wine	0	1	7	0	1	3½
Beer	0	0	11	0	0	8½
Beer (New Zealand)	0	2	9½	0	3	2
Sugar	0	3	4½	0	4	3½
Tea	0	3	0½	0	1	0
Coffee and cocoa	0	0	2½	0	0	1½
Currants and raisins	0	0	11	0	0	5½

The taxation through the Customs per head of population was ten years ago £2 7s. 10d.; it was in 1902 £2 13s. 9½d. From the above table it will be seen that spirits, tobacco, cigars, cigarettes, and beer account for an increase of 4s. 8d. per head: this may be termed voluntary taxation on luxuries. The increase per head, therefore, in ten years, if no remissions on the necessaries of life had been granted, would have been 7s. 11½d. per head; but from the above table it will be seen that the revenue per head for the necessaries of life has been reduced by nearly 2s.

#### LAND AND INCOME TAX.

The receipts under the head of land-tax fell short of the estimate by £4,000. The income-tax produced £16,000 more than the estimate, the two heads of revenue together exceeding expectations by £12,000.

The receipts from income-tax for the current year I place at £210,000, a sum slightly under the actual revenue of last year, and yet a substantial amount when compared with the £68,000 received ten years ago, when the tax was first imposed.

#### ABSENTEE LAND-TAX.

The colony has the name of imposing a graduated absentee land-tax without the gain. For the year 1902–3 this tax amounted to the munificent sum of £922 12s. 2d. The Legislature, when deciding some years ago upon the imposition, intended it to be something substantial, and rightly so.

Those absent from the colony do not contribute to the indirect taxation or otherwise help the revenue, and it is not unreasonable to ask them to bear a fairer share of the burdens of State.

The present method of levying the graduated tax is not fair in its incidence, and the following table explains clearly the position:—

Taxpayer	A pays graduated tax on	£	— amount of tax at	1s. 8d. ...	£	s.	d.
"	B	10,010	"	2s. 8d. ...	10	8	7
"	C	49,727	"	7s. 8d. ...	181	6	0
"	D	50,173	"	8s. 8d. ...	209	1	1
"	E	187,839	"	14s. 8d. ...	1,369	13	2
"	F	197,329	"	15s. 8d. ...	1,541	12	8

The above are actual cases, and this being so it is intended to ask Parliament to amend the law so that the increase in the scale of graduation shall bear more evenly, and in doing so care will be exercised to see there is no decrease in the revenue from this source.

#### VALUATION OF LAND DEPARTMENT.

During the past year the valuations of the four large cities and several smaller boroughs have been revised. The capital value of these has been increased by £6,250,000, and the unimproved value by £4,000,000.