

fore, there would be a still further amount to make good of £225,000; but, as I have said before, this will not become payable within the year, and therefore I do not propose to make provision for it. I hope honorable members will understand that, although this is in no sense putting off a payment which could be made during the year, yet that in future years the postponed liabilities at the end will be counter-balanced by the outstanding liabilities at the beginning. In other words, through beginning this year free, we have to pay less during the year than in any succeeding year by the amount of liabilities which will necessarily be outstanding at the end of this year.

#### LAND FUND.

I must, Sir, here say a few words about the Land Fund, the receipts of which from all sources are estimated at £335,000. Of this, £200,000 is for land sales, and £135,000 for pastoral rents. The pastoral rents being revenue have been included in the Consolidated Fund, but the £200,000 estimated to be received from land sales has not been so included, but in accordance with our proposal of last session, repeated this evening, it has been set apart to be separately dealt with. The charges, as honorable members will see upon reference to the Estimates, against this amount to £150,223, leaving a balance of £49,777, which, if our scheme of local finance should meet with the approval of the House, will be handed over to the Local Public Works Board. We shall further propose that in any year when the proceeds of land sales is more than enough to pay charges and administration, and the £150,000 to the Board of Local Public Works, that the balance shall be paid into the Public Works Fund.

#### PROPOSALS FOR THE FUTURE.

The Government, Mr. Seymour, had hoped to do without proposing any alteration or increase of taxation this year, and would not have made any such proposal if, on the one hand, the taxes imposed last session had been generally accepted with only that amount of reluctance which is perhaps the natural attitude towards all direct taxation, and if upon the other hand the proceeds of the taxation had amounted to what might reasonably have been expected. But I have shown that in the Custom duties the increased rate has not sufficed to prevent a decrease in the amount collected, while from many quarters we have received strong representation that one feature of the Property-Tax is extremely distasteful to a large section of the people. The discontent has, I believe, largely arisen through a misapprehension of the Act, which does not, as is commonly supposed, empower any officer of the Government to enter a man's house to value his goods. But, as I say, the discontent exists, and whether baseless or not, should, as far as possible, be removed. The removal of this obnoxious feature of the Property-Tax is fortunately rendered the more easy from the fact that it is generally admitted that this cannot be done without the substitution of some other tax which will produce at least an equal amount to that abandoned. The Government, therefore, in accordance with what they believe to be the desire of the taxpayers, will ask the House to exempt personal effects, furniture, and books, &c., from assessment under the Act. By this concession, Sir, it is estimated that the revenue will lose £40,000 a year. This, then, together with the deficit of £8,709, has to be made good. The question is, how can it be done in the most effective and least objectionable manner. I fear, Sir, there are only two practicable courses open to us. We may reimpose the tea and sugar duties, or we may tax beer. The Government, Sir, have carefully considered which of these courses to follow, and have determined to ask Parliament to impose a tax upon colonial beer of 6d. per gallon. It is with great regret that I make this proposal. When Colonial Treasurer some time ago my colleagues and I carefully considered the subject, and we ultimately decided that we would not propose this tax; and when in Opposition two years ago I helped to throw it out when introduced by the late Government, upon the ground that it was practically beginning the system of excise taxes, which I was very loth to see introduced into New Zealand so long as it could be avoided. But the financial position of the colony is such as to compel us to resort to taxes which in more favourable times we should not have