

LOCAL INSCRIBED STOCK.

It will be in the recollection of honorable members that last year I intimated to the House the intention of the Government to submit for consideration a Bill authorizing the issue at par of a loan of £250,000, the principal and interest of which would be payable in New Zealand only. Circumstances prevented the Government from giving effect to that intention during the last session of Parliament; but steps are now being taken to prepare a Bill, which will be submitted for the consideration of the House in the current session. I have drawn the attention of the Committee in a previous part of this Statement to the very large accumulations of money in the Savings Banks in the colony, and the Government think, as I remarked in the Statement I had the honor to make last year, that many of the depositors of this money, as well as the public generally, might be glad of a more permanent form of investment, if one can be provided which is at the same time secure and easily convertible into cash. I propose, as before, that the loan shall bear interest at a rate not exceeding 5 per cent., and that the proceeds shall be paid into the Public Works Fund, to be appropriated by Parliament. I also propose that the loan shall be issued in the form of inscribed stock, with the right to the subscriber to obtain at any time, when desired, bonds payable to bearer of £10 and upwards. The Government believe that securities such as those I have described will find favour with the public so soon as their nature is generally understood. The loan will be disposed of gradually as it comes into favour, the object of the Government not being to obtain funds for expenditure, but to provide a class of security for the investment of savings which seems generally to be desired, and is likely to have a very beneficial operation.

INCIDENCE OF TAXATION.

I should now like, Mr. Hamlin, with the permission of the Committee, to say ^{Table} a few words about a question which, I think, well worthy of our attention at the present time, namely, the incidence of our taxation. Does our present taxation press unfairly upon any particular class, and especially upon that class which is the least able to bear it? because, if so, although we might not be able to reduce the total amount, we might be called upon to shift the burden from the weak to other and stronger shoulders.

I have, Mr. Hamlin, been looking into this question of the incidence of taxation, in order to ascertain the amount borne by the different classes, so that relief might be given, if necessary, to those upon whom the taxes appeared to press the most heavily. I will state broadly, for the information of the Committee, the results of my inquiries, referring honorable members for particulars to Table No. 9, published with this Statement.

The results of my inquiries seem to me to show that our taxation is upon the whole fairly distributed over the community, although what is fair in such a case is a proper subject for discussion, and a question upon which there may be a great diversity of opinion. For the purpose of comparison I have divided the population into three classes, which, for the object I have in view, may be considered natural divisions. First, the wage-earning class, which I shall hereafter, for convenience, call the Industrial class, consisting of 312,436 souls, exclusive of 11,903 domestic female servants. Second, the Intermediate class, numbering 96,260 souls. This class is composed of all those who are known by the census as not belonging to the Industrial class, and who do not pay Property-tax. And, third, the class which pays Property-tax, consisting of 68,445 souls. The total taxation upon which my calculations are based—for what we term taxation proper as distinguished from what is paid for services rendered, is £1,717,748. This was made up as follows: Customs, £1,276,199; Stamps (not including postage stamps), £126,148; Property-Tax, £257,600. From the Customs duties I deduct the duties paid on wines, spirits, foreign beer and tobacco, sugar used in brewing (£3,493), and the amount (£5,512) estimated to be paid by the Maoris on general Customs, and also the duty paid on cotton piece goods, which are now free. These amount in all to £683,794. I make these deductions because, with the present information at my disposal, it is impossible to apportion to each class the expenditure under the head of wines, spirits, and tobacco with any accuracy, and because the other