

proper time I will explain to honourable members my reason for taking this action, but I may now state that I consider the change necessary, both in the interests of companies borrowing money in the London market and of the colony.

#### RELIEF TO GOLD-MINING COMPANIES.

Concession to gold-mining companies.

Provision will be made for enabling gold-mining companies to claim in their assessment for income-tax a deduction for depreciation in the value of the mine consequent on the extraction of the gold which enabled dividends to be paid. This will give them relief they are fairly entitled to.

#### CIVIL SERVICE INSURANCE.

Government Insurance scheme.

The Government are of opinion that a scheme in accordance with modern ideas should be brought into operation, whereby not only those dependent on Civil servants would be immediately provided for in the event of the death of the breadwinner, but the Civil servants themselves would have an assured income to look forward to in their old age, without any anxiety as to investment. It is anticipated that under such an arrangement claims for compassionate allowance would cease.

Scheme to be self-supporting.

The Government, however, think that such a scheme should be self-supporting—that is, that the contributions necessary should be provided for out of the salaries of the persons concerned in it. The Government Insurance Department has been consulted, and I am informed there would be no difficulty about its undertaking the work.

Scheme to be extended to the Police Force, &c.

The Government are of opinion that provision, under certain restrictions, should be made so that the benefits of the scheme might be extended to the Police Force, school-teachers, persons permanently employed in the Government Printing Office, as well as to other persons permanently employed by the Government outside the ordinary Civil Service.

#### THE LATE CRISIS IN AUSTRALIA.

State audit of bank accounts.

I feel it incumbent upon me to say a word or two in connection with the recent financial disasters that have unfortunately overtaken our friends in the adjoining colonies. The regret those disasters have caused me is, I feel sure, shared by all classes in this country, for when such an untoward event has to be chronicled it cannot fail to elicit our sympathy. During the height of the crisis a fear was entertained that its ill effects might reach our colony, and this occasioned the Government a great deal of anxiety. We were, however, ready to meet any emergency should decided action have been necessary. I am glad to say that there is no indication of the financial troubles that have befallen our neighbours now reaching our shores, and this I attribute to the loyalty of the people of the colony to the financial institutions we possess, and it further strongly marks the confidence that our colonists have in the resources and recuperativeness of New Zealand. Every thinking man will agree with me that in times of peace it is desirable to be prepared for war. The Government, therefore, will propose legislation having a direct bearing upon our financial institutions. It is well to be forewarned by the trouble that has befallen the neighbouring colonies, and I have no hesitation in saying that had those colonies been previously prepared they would have overcome their difficulties without that fearful inroad upon trade and industry caused by the late crisis.

#### THE TARIFF.

The tariff not to be altered.

The Government have carefully considered whether the present would be an opportune time to adjust some of the anomalies in the Customs tariff. In approaching the matter our first consideration was, if, in view of the fact that our public works are at present largely dependent upon the revenue from the Consolidated Fund, we should be justified in lessening the amount that we propose to devote to carrying on public works by effecting a reduction this session in the duties on the necessities of life. The Government have collected a large amount of evidence with the view to an adjustment of the tariff and the removal of some of the admitted anomalies that exist therein. It would, however, be exceedingly inadvisable in an expiring