

Incentive to individual industry.

This is a proposal, in short, to enable every Native family to obtain a separate property; to secure to every such family the fruits of its own labour and economy; and to thus supply an incentive to individual industry;—a proposal which, when carried into law, will, it is believed, be thoroughly appreciated by the Natives as satisfying a want which has long been felt by them, and which will open to them a course by which they can overcome that great impediment to their progress, the occupation of their lands in common.

#### NATIVE RESERVES.

Native reserves to be utilised.

The Government consider that it is time some attempt was made to utilise, both for the beneficiaries and the colony, the vast areas of Native land set apart for reserves; and, with that object in view, a measure will be introduced to give effect to this opinion.

#### SURPLUS LANDS FOR SETTLEMENT.

Surplus Native lands to be thrown open for settlement.

The demand for land for settlement having exceeded the most sanguine expectations, it is now proposed to supplement the Land Purchases Act of 1892 with an additional measure to facilitate settlement, by offering the Natives an alternative proposal, thereby enabling them, through the Government, to throw open their surplus lands for settlement under the land-laws of the colony.

#### EXEMPTION OF IMPROVEMENTS.

Exemption of all improvements.

It will be remembered that the late Colonial Treasurer intimated that he was in favour of exempting all improvements in assessing for land-tax, and that he would propose to do so as soon as the revenue would permit it. I am happy to be able to state that I find myself in a position that warrants me in proposing to exempt all improvements, and thereby remove what the supporters of the present system admitted to be a blemish. The scheme will be much sounder and more scientifically correct when we cease to levy land-tax on improvements.

Graduated tax to be increased.

It will be admitted that the repeal of the tax on improvements should have the effect of encouraging the owners of large properties to expend money in improving their land, and thereby add to its productiveness. This would be a direct advantage to the colony as a whole, both by causing an expenditure on labour and by adding to the products. I am of opinion that owners are well entitled to have their improvements exempt, provided that the revenue can afford the loss of the tax. By raising the rate of the graduated tax some part of the loss will be made good, and the increase in the graduated rate will render it more undesirable to have land in a low state of improvement. The alterations I propose will have the effect of tending to deter owners from keeping their land without laying out on it a sufficient sum to bring it into a condition in which it will be, at all events, fairly productive. I submit that we should be content with the graduated tax as a means for inducing owners to sell parts of their estates; but if they prefer not to sell, and are content to pay the graduated tax, we should not do anything that might prevent them from bringing their lands into a well-improved condition. If we decide to raise a certain sum from owners of properties above a certain value it would be more judicious to raise such a sum by a tax on the unimproved values entirely, rather than that a part should be levied on improvements.

Constant alterations deprecated.

It has been suggested that it would be well to be content for the present with increasing the amount to be deducted; but I cannot agree with this, and prefer that the whole tax on improvements be swept away at once, rather than that we should do it by annual stages. Constant alterations are puzzling to the public, cause uncertainty and annoyance, and therefore should be avoided where possible.

Loss of revenue £37,000.

I estimate the loss of revenue at £37,000. This apparent deficiency will be in part balanced by a saving in expenditure owing to an alteration, which I intend to submit for the consideration of the House, resulting in a saving in the mode of assessing land of £20,000.

Exemption in county and Road Board districts.

I am of opinion that the time is fast approaching when the exemption of improvements in county and Road Board districts for local taxation should also be effected.