

Up to the 31st March last the total proceeds of debentures issued and carried into this account was £3,178,100, and the total disbursements have been £3,175,149, as follows: Loans to local bodies, £2,506,379; towards opening up blocks of land for settlement, £566,970; £89,800 in exchange for debentures under "The Roads and Bridges Construction Act, 1882"; and the amount transferred to Hauraki Plains Settlement Account under section 4 of "The Hauraki Plains Act, 1908," was £12,000.

Applications from local bodies for loans for public works under the Local Bodies' Loans Acts have this year been the largest since the Act of 1886 came into operation, which is no doubt attributable to the great difficulty experienced by local bodies during the year in obtaining money at a reasonable rate of interest within the Dominion from outside sources.

I have already submitted to the House a Bill altering the conditions under which moneys for local public bodies can be obtained. As this is now before the House and is receiving the attention of honourable members I need say no more than that the proposals make provision to meet the extending requirements of local public bodies throughout the Dominion to a larger extent than has hitherto been possible. The moneys required will be obtained in England at such a reasonable rate as will admit of their making use of the sums legitimately required for local purposes.

LAND AND INCOME TAX.

There has been a steady increase in the amount of land-tax collected. This is partly accounted for by the increase in values, and partly by the legislation of 1907. The increase in ordinary land-tax last year amounted to £43,677, which is wholly from increased values, no alteration in the rates of ordinary land-tax having taken place. The increase in the graduated land-tax amounted to £23,248, resulting also from increased valuations, as the scale was the same as in the previous year.

Absentee-tax increased by £129, consequent on the increased graduated tax. It may not be out of place for me to note here that on the other side the increase of private wealth in land alone during the last fifteen years is £113,573,887. The enormous increase in the public and private wealth of this Dominion, to which I have already referred, and during the last fifteen years, after careful examination and analysis, I estimate within that period amounts to the large sum of £250,000,000. It has increased at a much greater rate than the population proportionately. When it is remembered that the gain in public and private wealth is £10 for every £1 of expenditure of public money, the natural sequence to this is that there has been a large increase in revenue from direct taxation, whilst at the same time there has been no increase in the rates of tax—it is due to the increase of private wealth and incomes entirely. The whole of the direct taxation—viz., land-tax, income-tax, and death duties—is contributed by comparatively a few persons, who, it is evident, have reaped the benefit of the public expenditure to a very large extent. In 1908–9, 39,132 taxpayers contributed the whole of the direct taxation of this country, amounting to £1,186,182, equal to £30 per taxpayer. In 1893–4, 15,327 taxpayers contributed £448,151, equal to £29 per taxpayer, an average increase of £1 per taxpayer per annum in fifteen years. At the same time the average wealth of these persons has increased £9,181, which equals an average increase at the rate of £612 per annum, in addition to those increased incomes which are not included as wealth, amounting to £4,000,000, but which indirectly represents wealth, and if capitalised at 5 per cent. would represent nearly £1,500 per annum of an increase.

The income-tax revenue for years past has also shown a consistent increase, which as an indication of the progress and prosperity of the Dominion is interesting. I attach a table showing the wonderful increases in the income of the taxpayers, which I think honourable members will appreciate, and from which it will be observed that the incomes returned for taxation have increased over what they were fifteen years ago by the enormous sum of £10,043,703, for the year