

The comparison between the estimated tax for the current year and the tax for last year is as follows :—

	Estimated Tax. £	Present Tax. £	Decrease. £	Increase. £
Ordinary tax	307,000	307,000
Mortgage-tax	240,000	246,300	6,300
Graduated tax	339,340	265,100	74,240
	886,340	818,400	Net increase,	67,940
Income-tax	1,090,660	539,000	551,660
Totals	<u>£1,977,000</u>	<u>£1,357,400</u>	<u>£619,600</u>

It is generally recognized that those who have been making large profits due to the war should give an additional amount towards the financial requirements of the country. I shall not be contradicted when I say that large profits have been derived from the sale of wool, meat, and dairy-produce. To provide for a reasonable contribution to defray a portion of the cost of the war I propose that the income-tax shall apply to income derived from land. Five per cent. of the capital value of the land will be deducted from the assessment of the income, and the exemption of £300 will also be allowed. I estimate that £250,000 will be obtained by this alteration, and considering the high prices that have been realized for sheep, wool, meat, and dairy-produce, it is not a large contribution from those affected. The total increase of income-tax proposed will amount to £551,660, and will reach those whose additional profits have been due largely to the war.

POST AND TELEGRAPH CHARGES.

I propose to make some small additions to the charges leviable for postages and telegrams; and, although it is anticipated that the amount realizable will amount to £380,000, yet, owing to the vast number of pieces of mail-matter and telegrams handled, it is estimated a very small increase in the minimum charges to which they are subject will yield the sum indicated.

I propose that the initial rate on telegrams be increased by 2d., that 2d. be added to the inland charge for cablegrams, that the initial charge for bureau communications within a radius of twenty-five miles be 6d. for both subscribers and non-subscribers, instead of as at present 3d. for subscribers and 6d. for non-subscribers, and that a special war-tax of $\frac{1}{2}$ d. be levied on all articles posted except newspapers. The amount realizable under each heading is estimated as follows :—

	£
Telegram and cable messages: Increase of initial rate of 2d.	50,000
Bureau messages: Initial rate made 6d. to all	20,000
Postage war-tax of $\frac{1}{2}$ d. on all articles posted except newspapers	310,000
	<u>£380,000</u>

RAILWAY INCREASES.

The railway passenger and goods rates will be increased to the extent of £360,000 per annum. This becomes a necessity from causes due chiefly to the war, and it is impossible for the Railway Department to provide sufficient ways and means under conditions now existing. Prices of materials required for the maintenance and extension of the services have risen enormously. I may give a few instances: The cost of canvas has increased 100 per cent.; rails, 12 per cent.; fastenings, 9 per cent.; steamer freight on rails, 102 per cent. Girders, ironwork, and general materials have also increased greatly in price. In the locomotive branch an average increase of 40 per cent. has taken place in respect to materials used in building and repairing engines, cars, and wagons. In view of the foregoing and the fact that indications point to still further advances, it is evident that the Department cannot satisfactorily carry on its operations and provide