

There are one or two possible objections to the proposals of the Government, which I am anxious to anticipate. The first is that it is a disturbance of the financial arrangements of 1856, under which £200,000 of debt, incurred to pay off the New Zealand Company, was made a charge on the Territorial Revenue of the Middle Island. This is true; but on the other hand it is to be borne in mind that by the same arrangement a sum of £180,000 expended for the purchase of Native Lands in the North Island was charged upon the revenues of the Provinces of that Island. We propose to release both Islands from these special charges, and a reference to their respective contributions to the Consolidated Fund will show that the advantages of such a release are at the present time considerably in favour of the North Island. I refer to this subject because I wish to state that the Government adheres firmly to the financial arrangement of 1856—to the compact itself as well as to the principle on which it is based. We hold that sound principles of political economy require that the land fund of any part of the Colony should be locally applied.

Another objection to the Government proposals will be that they release the Territorial Revenue of the Middle Island Provinces from its present liability on account of the respective Provincial Debts, and may possibly throw the payment of those debts on the Consolidated Revenue of the rest of the Colony. Except in the case of Southland, which is to be specially dealt with, this objection, though theoretically true, is of no practical weight. In the other Middle Island Provinces, the Consolidated Revenue, if fairly distributed, is, and is likely to continue, amply sufficient to meet the loan charges. The condition of Canterbury and Otago is not now abnormal; no feverish excitement of any kind sustains either of them above its natural financial level, and there is so little reasonable probability of the Consolidated Revenue of these Provinces being insufficient for the payment of these debts, that as a representative from the Middle Island I should not object to the liability of the Land Revenue being retained. I believe, however, that it would be an unnecessary and a troublesome provision.

I trust the Committee will consider that the scheme as a whole is as near an approximation to justice as is attainable between the various parts of the Colony, and that the advantages of a final and complete settlement of accounts between the Colony and the Provinces are so great as altogether to outweigh the objections to which I have just referred. Every member of this Committee will, I am sure, be heartily glad to see the last of these accounts, which for the last ten years have been a constant source of confusion and dispute; and which, even under the system introduced by the Public Revenues Act, have not yet ceased to be the occasion of unpleasant and unprofitable discussion.

But the Government claims for its proposals not merely the abolition of a set of troublesome accounts, nor even the satisfactory solution of difficult and complicated financial questions; it believes that these proposals are fraught with large and important political advantages. If adopted they will, to a great extent, remove the inducements to the formation of, and the mischief resulting from, separate provincial factions in this House, each looking rather to the advantage of its own particular Province than to the welfare of the Colony; they will facilitate the formation of those rational political parties, indispensable to healthy political action on the great political, social, and commercial questions which are looming in the not distant future; and especially, Sir, they will disembarass the Local Government question of half its difficulties. At present one of the main obstacles in the way of any alteration of the existing territorial divisions of the Colony consists in the presence of large provincial liabilities imposed on the revenues of the whole Province, which must be allotted on any sub-division of the Province; another difficulty is, the securing to any new territorial divisions of such a share of the consolidated revenue as will enable it to provide, where necessary, for police and gaols. Both these obstacles are entirely removed by the proposals now before the Committee. The Provincial Debts are disposed of, the police, gaols, and harbours provided for; the position and the powers of the Provincial Governments are defined and simplified; and the question of further local organization is reduced to one of how the local and territorial revenue, including the gold revenue, can be most advantageously disposed of in the promotion of settlement and the construction of public works. The shape which the Government proposes to submit this important question for the decision of the Legislature is in a series of resolutions, which I shall conclude by proposing to the Committee.

Upon the main principle which these resolutions embody, namely, the termination of the partnership account between the Provinces and the Colony, the Government will stand or fall. The details of the plan, including the proposed adjustment, are fair subjects for amendment to any extent which will not be antagonistic to the principle of the scheme. If these resolutions should be adopted by the Assembly, Bills will be brought down for giving effect to them, and it will also be my duty to submit supplementary estimates providing for the payments to the Provinces of Nelson and Wellington, and the votes required for the Harbour Departments, the erection of a Government House, and the capitation grant to the Provinces on account of Police and Gaols.

I should not be doing justice to my own feelings, if it were possible for any one standing in my position to make such an omission, were I to leave this part of my subject without referring to an honorable member of this House whose name is especially associated with the main principles of financial proposals now under consideration. I allude, of course, to the honorable member for Selwyn, Mr. Stevens. That honorable member does not probably claim credit for having originated this scheme, but the country knows what time and labour he has spent in the difficult and useful task of forcing this question on the attention of the public. This work he has done in a way in which it would not have been possible for persons in the position of a Government to do. He has brought his faith, ability, and perseverance to bear on the public mind, and has succeeded in convincing all who are capable of understanding the subject that the change is advantageous, may necessary, and that it should be made without further delay. I am glad to have this opportunity of ascribing to the honorable member, and those who have been associated with him in this work, a large measure of the credit for whatever benefits may result to the Colony from the abandonment of the peculiar system of finance under which it has hitherto laboured, and the adoption of a wiser and simpler system, and from the effecting the greatest reform in the constitution of the Colony which has ever yet been accomplished.

I am sure the Committee will now be glad to hear that my task is completed. When I consider the extent and importance of the proposals I have submitted to it, the effect they may have on the future progress and welfare of this Colony, I must say, without affectation, I am painfully conscious of the inadequate manner in which my task has been discharged. On the one hand, I feel that I must have wearied the Committee by the length of my address; and on the other, that I have but lightly touched upon many subjects that should have been carefully dwelt upon. If I have been tedious, I can only say I have made a long speech because I have not had time to make a short one. To those members, on the other hand, who may think that I have dwelt too perfunctorily upon the many important subjects comprised in my propositions, I reply that my difficulty has been not to find reasons and arguments, but so to condense them as to bring them within the necessary compass of an address like the present. I now commend the proposals of the Government to the earnest, careful, and patriotic consideration of members on all sides of the House, believing them to be fraught with consequences of the most vital importance to the future progress and welfare of this Colony, and I sincerely thank the Committee for the patience and attention with which they have listened to me.