

I wish honorable Members to understand that after paying off all Liabilities, including Interest and Sinking Fund due in London up to the 15th July, and after paying off £45,000 of Treasury Bills, there remains to commence the year 1873-74, a balance of £3,835 1s. 2d. In addition to the Treasury Bills £100,000 of Deficiency Bills outstanding last year were paid off. There were no Deficiency Bills issued during the year, and there are none now outstanding.

PROVINCIAL LOANS FOR PUBLIC WORKS.

I do not know whether the Committee are prepared to consider one of the most important subjects demanding public attention; but I feel certain that there are few honorable Members who look upon public questions from a Colonial point of view, who do not feel that the time has come to decide in what manner for the future the Legislature intends to sanction the construction of a certain class of public works which, for convenience sake, I will call local, because either they do not belong to the main arterial system of Railways, or because they are of interest only to the Province in which they are to be constructed. I specially allude to such works as Roads, Bridges, Harbour Works, Reclamations, Buildings for Educational and, in some cases, for Charitable Purposes, Gold Fields Works, and light Branch Railways and Tramways. There was a time when works of this kind were freely constructed out of the proceeds of Provincial Loans. Those loans, after a while, so competed with Colonial Loans as seriously to injure the credit of the Colony. The Legislature then prohibited them, and has only allowed them since under exceptional circumstances; but in the improved condition of the Colony, the want of local works is making itself felt, and there are and will continue to be applications for them from all parts of the Colony. It is impossible to refuse to recognize the importance of these local works: they are to the different localities which they concern, what the arterial works are to the Colony. The principle of a Colonial system of public works should be diffusion, not centralization. In some Colonies—I will not be invidious enough to name them—we have seen that the principal effect of railway systems has been the building up a chief town or city on the seaboard; and with the increased prosperity of the metropolis, there has been dulness and depression in the country districts. I hope we shall guard against this in New Zealand. We can only do so by allowing districts to obtain the means for constructing local roads and works concurrently with the arterial communication which opens for them connection with other districts. I do not object to districts on the seaboard being improved, nor to due care being taken to improve the metropolitan towns. What I desire to establish is this: That every part of New Zealand is in our charge—that we want every district to be improved. We do not seek for a few splendid and isolated, though prominent, examples of prosperity, with depression and stagnation elsewhere—silk on the surface, rags beneath. We want New Zealand to be prosperous, not because a few large capitalists are successful; not because, in the chief towns, men can rub their hands, and say “These are bright times;” but because you may march through the length and breadth of the land, and everywhere be greeted by a happy, contented, and flourishing population. To neglect the local works would make the chief towns drain the country; instead of which, we want the country to drain from the large towns permanent supplies of wealth, intelligence, and energy.

But the Colony cannot do justice to such works. Neither my colleagues nor myself can be considered partizans of either Centralism or Provincialism. I confess myself to have frequently wavered in opinion, appalled by the difficulty, on the one hand, of preventing the Provinces from destroying the necessary power of Colonial action, and on the other, of preventing the centralising tendency from destroying the usefulness of local governing bodies without supplying or being able to supply their place. The policy I am about to elaborate I describe as the result of a search after equilibrium—or as nearly a state of equilibrium as is possible amidst the many varying circumstances and contending interests with which we have to deal. Broadly, we want the Colony to take charge of Colonial works; the Provinces to take charge of Local works. Broadly, also, we class Main Railways and Immigration as amongst

How shall local public works be constructed.

Definition of “local” works.

Provincial Loans prohibited.

But there are great demands for such works; and their importance must be recognized.

Centralization, as result of Public Works, must be guarded against.

General advancement of the Colony is to be sought.

Colony cannot do justice to local works.

Colony should take charge of Colonial works: Provinces, of local works.

Main Railways